

**MASTER
NEGATIVE
NO.94-82069-9**

COPYRIGHT STATEMENT

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials including foreign works under certain conditions. In addition, the United States extends protection to foreign works by means of various international conventions, bilateral agreements, and proclamations.

Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

The Columbia University Libraries reserve the right to refuse to accept a copying order if, in its judgement, fulfillment of the order would involve violation of the copyright law.

Author:

Title:

How to understand the
balance sheet and...

Place:

London

Date:

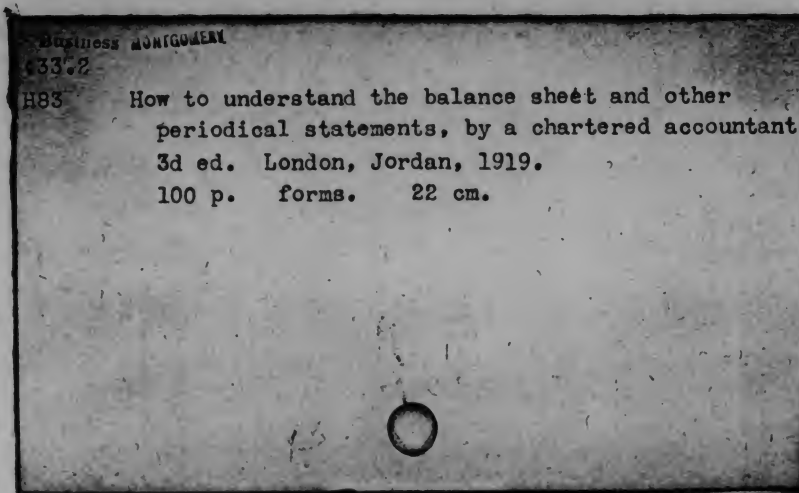
1919

94.82069-9
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD



RESTRICTIONS ON USE:

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 12:1

IMAGE PLACEMENT: IA IIA IB IIB

DATE FILMED: 5-4-94

INITIALS: KUB

TRACKING #: MSH 00786

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

2.0 mm

1.5 mm

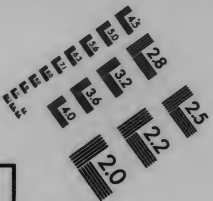
2.0 mm

ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz

1.5 mm

ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz

PM-MGP 13"x18" METRIC GENERAL PURPOSE TARGET PHOTOGRAPHIC

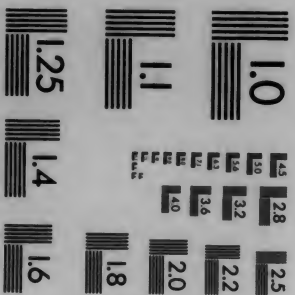


150 mm

100 mm

A4

A5



ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz

ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz

ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz
1234567890

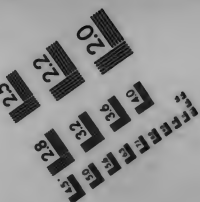
ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz
1234567890

1.0 mm

1.5 mm

2.0 mm

2.5 mm



1303 Geneva Avenue
St. Paul, MN 55119

PRECISIONSM RESOLUTION TARGETS

ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz
1234567890

4.5 mm
3.5 mm
ABCEFGHIJKLMNOPQRSTUVWXYZ
abcde fghijklmnopqrstu vwxyz
1234567890

HOW TO UNDERSTAND
THE BALANCE SHEET

AND
Other Periodical Statements

BY
A CHARTERED ACCOUNTANT

THIRD EDITION

PRICE 3/6 NET


LONDON
JORDAN & SONS, LIMITED
116 & 117 CHANCERY LANE

8283

April 22

D433.2 H83

Columbia University
in the City of New York
LIBRARY



School of Business
The Montgomery Library
of
Accountancy

HOW TO UNDERSTAND THE BALANCE SHEET.

DATES OF EDITIONS.

| | | | |
|------------|----------------|------------------|-----------------------|
| <i>1st</i> | <i>Edition</i> | <i>published</i> | <i>July, 1903.</i> |
| <i>2nd</i> | <i>"</i> | <i>"</i> | <i>October, 1905.</i> |
| <i>3rd</i> | <i>"</i> | <i>"</i> | <i>April, 1912.</i> |
| <i>"</i> | <i>"</i> | <i>reprinted</i> | <i>April, 1916.</i> |
| <i>"</i> | <i>"</i> | <i>"</i> | <i>October, 1918.</i> |
| <i>"</i> | <i>"</i> | <i>"</i> | <i>October, 1919.</i> |

HOW TO UNDERSTAND THE BALANCE SHEET AND OTHER PERIODICAL STATEMENTS

HOW TO UNDERSTAND THE BALANCE SHEET

AND

Other Periodical Statements

BY

A CHARTERED ACCOUNTANT

THIRD EDITION

JORDAN & SONS, LIMITED
116 AND 117 CHANCERY LANE, LONDON, W.C.

1919

Second Edition. Price 5s. net; by post 5s. 6d.

THE EFFECT OF WAR UPON COMMERCIAL RELATIONS AND THE POSITION OF CORPORATIONS DURING WAR. By F. GORE-BROWNE, M.A., K.C., Author of "Concise Precedents under the Companies Acts," and "A Handbook on the Formation, Management, and Winding Up of Joint Stock Companies."

Thirty-Fourth Edition (1919). Price 12s. 6d. net; by post 13s. 3d.

HANDBOOK ON THE FORMATION, MANAGEMENT, AND WINDING UP OF JOINT STOCK COMPANIES. By F. GORE-BROWNE, M.A., K.C.

Fourteenth Edition (1919). Royal 8vo. Price 7s. 6d. net; by post 8s.

COMPANY LAW AND PRACTICE: an Alphabetical Guide thereto. By HERBERT W. JORDAN, Managing Director of JORDAN & SONS, LIMITED. The full text of The Companies Acts, 1908 to 1917, is set out in this Edition.

Ninth Edition (1919). Price 1s. net; by post 1s. 4d.

PRIVATE COMPANIES: their Utility and the Exemptions they Enjoy. By HERBERT W. JORDAN, Author of the above.

Thirteenth Edition. Price 1s. net; by post 1s. 4d.

HOW TO FORM A COMPANY. By HERBERT W. JORDAN, Author of the above.

Third Edition. Price 2s. 6d. net; by post 3s.

THE SECRETARY AND HIS DIRECTORS. By HERBERT W. JORDAN, Author of the above.

Sixteenth Edition. Price 7s. 6d. net; by post 8s. 3d.

THE SECRETARY'S MANUAL ON THE LAW AND PRACTICE OF JOINT STOCK COMPANIES, with Forms and Precedents. By JAMES FITZPATRICK, F.C.A. (late Lecturer on Accountancy to the London Chamber of Commerce), and T. E. HAYDON, M.A., Barrister-at-Law.

JORDAN & SONS, LIMITED, Publishers, London.

. For extended list see end of volume.

Mount
20-53865

PRINTED AND BOUND BY
JORDAN & SONS, LIMITED
AT THEIR WORKS
BISHOP'S COURT, CHANCERY LANE, LONDON, W.C.

Business
D 433.2
H83

42.10 Aug. 6, 1920
432 " 12
05P " 20 "

CONTENTS

| | PAGE |
|---|------|
| INTRODUCTION | 5 |
| CHAPTER I. | |
| THE BALANCE SHEET—PRELIMINARY REMARKS | 11 |
| CHAPTER II. | |
| EXPLANATION OF DEBIT ITEMS IN THE SPECIMEN BALANCE SHEET | 27 |
| CHAPTER III. | |
| EXPLANATION OF CREDIT ITEMS IN THE SPECIMEN BALANCE SHEET | 61 |
| CHAPTER IV. | |
| PROFIT AND LOSS, INCOME AND EX- PENDITURE, AND RECEIPTS AND PAYMENTS ACCOUNTS | 74 |
| CHAPTER V. | |
| EXPLANATION OF FURTHER BALANCE SHEET ITEMS | 84 |
| CHAPTER VI. | |
| THE BALANCE SHEET—CONCLUDING REMARKS | 89 |
| — | |
| SPECIMEN BALANCE SHEET | 92A |
| — | |
| INDEX | 93 |

INTRODUCTION.

THE object of these pages, broadly stated, is to explain without the employment of confusing technicalities—

1. The Constitution of the Balance Sheet.
2. Typical Balance Sheet items.
3. The essential difference in principle between the Balance Sheet and certain other periodical accounts commonly in use.

The general public by no means thoroughly comprehend such documents, nor can it reasonably be expected otherwise; these accounts are of necessity far from being of a simple nature, though it would seem that many of those who know the least of scientific book-keeping and accounts discourse the most of the simplicity of such matters. The public at large, however, do not in the first place rightly grasp the principles upon which the

different accounts are constructed, whilst confusion is added by the pitfalls that some Balance Sheet items provide on sundry occasions for the uninitiated. To this need of information may in no small degree be ascribed the listless attitude characteristic of Shareholders in Limited Companies, to whom these explanations should be especially useful. The want of confidence in one's self to form a trustworthy opinion upon a technical document whereby one is more or less confused is a serious obstacle which it is the writer's aim to remove.

It will be seen that the specimen Balance Sheet herewith is made out as for a Limited Company, for the reason that Shareholders in such concerns form the most numerous class interested in the subject. But, needless to say, these pages are not thereby dedicated to one class alone; they are addressed to many others of the general public who are interested and who have no intimate acquaintance with the intricacies of accountancy, for the principle is always the same, be the Balance Sheet that of a Limited Company or of any other concern or organisation.

The writer has had ample evidence of the difficulties presented by technical accounts to the therein "uninstructed or popular world" whence comes the material of which the average Shareholder in Limited Companies is made, and the many erroneous views that have come under his notice have been the means of suggesting to him that a short explanatory work on the lines above stated might supply what would appear to be a decided need of the community—no treatise upon Book-keeping, but, from a commercial rather than a legal point of view, dealing with results as shown by the usual and periodical statements, and not with the manifold transactions that lead to those results; and these designs as expressed in the title are treated in popular language between the covers.

The reader is now particularly recommended to consider carefully the information contained in the two following pages, 8 and 9.

The following is a **Key** to the principle of all the slightest knowledge of scientific book-keeping statements. Like other generalities it is subject to

X.Y.Z. & SONS. Balance

| DEBIT SIDE. | £ s. d. | £ s. d. |
|---|---|-----------------|
| [Filled up with the proper particulars, this side of the Balance Sheet would show X.Y.Z. & Sons' | | |
| Receipts | [Inner column supplementary to the outer column, for adding and subtracting.] | [Outer column.] |
| of money or money's worth, but only those Receipts that remained | | |
| Liabilities | | |
| owing, at 31st March, 1919, by X.Y.Z. & Sons to various persons indicated by the said particulars. The opposite side would show what has become of these Receipts.] | | |
| | | £ |

Bear in mind that the Debit side sets forth what Receipts it has had at various times in the past.

Avoid the pitfall of supposing the Debit side single one of those Receipts.

The Debit side shows what the concern has shown what the concern still **has**.

By the Debit side we are informed to whom

The reader should carefully observe the above wherein he will in due course be referred to the conclusion.

Balance Sheets, enabling even those who possess not or accounts to understand the construction of such exceptions, which are dealt with in due course.

Sheet at 31st March, 1919.

| CREDIT SIDE. | £ s. d. | £ s. d. |
|---|---|-----------------|
| [Filled up with the proper particulars, this side of the Balance Sheet would show X.Y.Z. & Sons' | | |
| Possessions | [Inner column supplementary to the outer column, for adding and subtracting.] | [Outer column.] |
| at 31st March, 1919, that have been obtained through the Receipts opposite. This side should show, therefore, what Assets the firm of X.Y.Z. & Sons has, to meet its Liabilities stated on the other side.] | | |
| | | £ |

is owing by a concern at date of Balance Sheet for

to state that the concern is still in possession of any

had and still owes for. It is the Credit side that

the Possessions, stated on the Credit side, belong.

outline before resorting to the subsequent pages, Specimen Balance Sheet that brings them to a

CHAPTER I.

THE BALANCE SHEET.—PRELIMINARY
REMARKS.

THE BALANCE SHEET is a statement of one's financial position, made up as a rule annually, and so bringing to a close the financial year. Its aim is to show the position at the end of a period, and *not* the transactions for or during a period. The numerous transactions that take place cannot either conveniently or usefully be shown in detail in such a statement, and it is the net result at a given date of what has taken place from the time when one's financial operations were first commenced that the Balance Sheet sets forth.

A simple example may here be useful. At the close of 1917 an imaginary Thomas Brown's furniture, purchased on some previous occasion or occasions, had cost £400. During

1918 he made further purchases of furniture, and on 4th December, 1918, he sold at cost price an article of the furniture on credit to John Jones for £10. These were all the transactions that occurred on this account in 1918, and, ignoring any question of Depreciation, here follows a statement of them, from which it will be seen in passing that the effect of striking the balance is to deduct the £10, proceeds of sale, from the total on the other side.

FURNITURE ACCOUNT.

| 1918 | | £ s. d. | 1918 | | £ s. d. |
|----------|--|----------|--------|-----------------------------------|----------|
| Jan. 1 | To Balance (brought forward from 1917) | 400 0 0 | Dec. 4 | By John Jones for portion sold .. | 10 0 0 |
| " 31 | " Cash, further purchase .. | 8 0 0 | " 31 | " Balance carried down | 422 0 0 |
| April 15 | " Cash, further purchase .. | 14 0 0 | | | |
| July 20 | " Cash, further purchase .. | 10 0 0 | | | |
| | | | | | |
| | | £432 0 0 | | | £432 0 0 |
| 1919 | | | | | |
| Jan. 1 | To Balance brought down | £422 0 0 | | | |

Thomas Brown has thus paid £422 net for the furniture he has left.

Now this short statement headed Furniture Account, after first of all showing the result at the end of 1917 (£400), affords particulars of the transactions for or during the period (the year 1918) in which they took place, and would not be set out in Thomas Brown's Balance Sheet; whereas the heading, taken together with the balance only, thus: "Furniture Account, £422," states the result of the transactions, and would appear as one of the items in his Balance Sheet at 31st December, 1918, showing the position of the matter at that date, the end of a period commenced with Thomas Brown's first transaction as to furniture, whenever that may have been. This item would similarly appear in the succeeding Balance Sheets, subject to any further changes occasioned by such matters as writing off Depreciation for Wear and Tear, fresh purchases, and parting wholly or otherwise with the furniture.

And so the items one and all in a Balance Sheet are the result, at the date therein stated, of the different accounts, which are subject to

various changes by way of addition or deduction—changes that are recorded, where proper books of account are kept, in the manner shown by the foregoing “Furniture Account.” This, be it said, is such an account as would appear in Thomas Brown’s Ledger, wherein would be found not only the details here set out in respect of the year 1918, but also similar particulars of the transactions that resulted in the balance of £400 brought forward from 1917. In Thomas Brown’s Balance Sheet at 31st December, 1917, this £400 would hold a place corresponding with that of the later balance of £422 in the Balance Sheet at 31st December, 1918.

As an arrangement of correctly shaped materials—of which, however, the settlement often demands careful and lengthy consideration—the mere formation of a Balance Sheet is a simple enough process, and for its accomplishment the existence of a set of financial books, though greatly to be desired, is by no means an essential. For the sake of illustration let us suppose that an individual, whom we will call John Jones, and who keeps no such books of account, desires at, say, 31st December, 1917,

to draw up a statement of the position of his finances. With the aid of memory and of miscellaneous documents, such as his Bank Pass Book, memoranda, unpaid accounts, receipted accounts, &c., he proceeds to make out a Balance Sheet in the following manner:—By putting down on the left-hand side of a sheet of paper the debts he owes, that is to say, his Liabilities to Creditors; and on the right-hand side, all that he possesses, in other words, his Assets; then filling in the difference between the two sides so as to make the total of one equal to that of the other. Now a surplus of Assets over Liabilities to Creditors represents one’s Capital, but if, on the other hand, such Liabilities be in excess of the Assets, the difference would manifestly represent a deficiency of Assets, which means insolvency, the Capital and more besides having been lost. After this explanation we may now consider the Balance Sheet prepared as above described, and showing in this case a surplus of Assets over Liabilities to Creditors amounting to £7858 10s., which has been inserted accordingly as Capital.

JOHN JONES.

Balance Sheet at 31st December, 1917.

| Capital, Liabilities, &c. | £ s. d. | £ s. d. | Property, Assets, &c. | £ s. d. | £ s. d. |
|------------------------------|---------|------------------|--------------------------------------|---------|------------------|
| CREDITORS— | | | HOUSEHOLD FURNI- TURE AND EFFECTS | | 600 0 0 |
| A. B., Son & Co. | 15 5 4 | | INVESTMENTS .. | | 7239 10 4 |
| C. D. | 8 10 9 | | DEBTOR— | | |
| E. F. & Co. .. | 0 15 6 | | B. C. (Loan) .. | | 10 0 0 |
| G. H. & Sons .. | 1 6 6 | | CASH AT BANK .. | | 30 15 6 |
| | | 25 18 1 | CASH IN HAND .. | | 4 2 3 |
| JOHN JONES' CAPITAL | | 7858 10 0 | | | |
| | | <u>£7884 8 1</u> | | | <u>£7884 8 1</u> |

The meaning of this is that the combination of Assets presided over by John Jones, and amounting to £7884 8s. 1d., owes £25 18s. 1d. to Creditors, and £7858 10s. to Jones himself; in other words, £25 18s. 1d. of the Assets belong to Creditors, and £7858 10s. to John Jones.

At 31st December, 1918, a year later, having still refrained from keeping a set of books, he prepares on the same lines another Balance Sheet, which need not be here set out, and finds that Capital now amounts to £7911 15s. 4d., an increase of £53 5s. 4d. during the year. The difference between Capital at commencement and Capital at the end of a period, if an increase, is usually what has been saved out

of the Income that has arisen during the period, though it might in whole or in part be a fresh importation of Capital pure and simple. For instance, a Legacy, or a Capital Profit, as a Profit on sale of an Investment, which is of the nature of Capital and not of Income. Had Capital decreased instead of increasing it would, needless to state, have meant a Loss made during the period; or, in case of, say, a partnership concern, possibly Capital withdrawn from the business.

There is this to be said for a Balance Sheet made up in such a manner: it is better than none at all. But if John Jones had kept a proper set of books he would not have had to depend on memory, and on papers that are liable to be mislaid, to supply particulars he required; for each item contained in the foregoing Balance Sheet would have appeared in such books as the balance or result of the account, therein detailed, to which it relates. The books would have also afforded full particulars of the increase of Capital, £53 5s. 4d., and, assuming it to have been Profit of the nature of Income, these would be details of the gross income for the year and of the

various expenses deducted therefrom during the year, expenses that one customarily provides for out of Income, as being in the nature of Losses: that is, value expended without an Asset of any permanent worth being therewith purchased. In the absence, however, of a system of accounts, there is nothing to show how the increase of £53 5s. 4d. is made up; and this is only one out of the numerous disadvantages that arise from the neglect to keep suitable accounts—a subject, however, that hardly comes within the scope of these pages to enlarge upon.

The Balance Sheet of a Limited Company, a partnership, an institution, or any other concern, is to be looked upon as the account of an individual: that is to say, the concern must be considered as if it were one individual, as having a distinct personality and a separate existence of its own, entirely apart from the personality of the individuals who compose it. This is the commercial view, which is sufficient for all purposes except certain legal ones; and, in fact, with regard to Limited Companies and other bodies that need not here be particularised, the view is held by the Law itself.

The Balance Sheet has always two sides, separate and distinct from one another. The left-hand side is called the "Debit" or "Debtor," and the right-hand side the "Credit" or "Creditor" side. This is mentioned solely for the sake of the convenience it affords when referring to the one or the other.

Note should be taken of the headings of a statement that one desires to understand. In case of the specimen Balance Sheet herewith the Debit side is headed "Capital, Liabilities, &c.," and the Credit side, "Property, Assets, &c." Modifications of these headings are to be found in different Balance Sheets, but without altering the principle in the least. This is a matter that need not here be dwelt upon. It is referred to at a later stage.

First, with regard to Capital, Liabilities, &c.

The reader already will have seen that Capital is itself a Liability—one of a peculiar nature it is true, but still a liability, as further explained on a subsequent page. In fact, all the items on the Debit side are liabilities of various natures. Notice need not at present be taken of the "&c." at the end of this heading.

In the ordinary course a liability arises when an individual receives money, or what is reckoned as money's worth, for which that individual has not yet given an equivalent.

And thus the Debit items in a Balance Sheet are such receipts of money or money's worth as remained liabilities at date of Balance Sheet, because the individual person or individual concern, as the case may be, whose statement it is, had not yet given equal value for them or paid them off. It is not sought in the Balance Sheet to specify what proportion of these debits was received in actual cash, and how much in money's worth, though the substance in which a particular item came into the concern's hands may be indicated. But with this the reader will not ordinarily trouble himself, the material questions for him to consider being, to whom is the concern indebted for the Receipts, which the Debit side shows, and what has been done with them, as shown on the Credit side. To insure, however, a clear understanding, it is necessary to explain exactly what is meant by "money's worth."

The Receipts that appear on the Debit side of a Balance Sheet have entered into the

concern's possession, generally speaking, both partly in cash and partly in what has been considered the equivalent to cash, or money's worth—a term that includes property, goods, and other assets, and also those services whereto a value is attached, though no cash or other asset changes ownership in the rendering, all of these, though not actual money, being valued at a cash figure, and so treated in the accounts. Some explanation is necessary of the reference to services. An instance that may be given is the item "Workmen's Wages Unpaid," a debit commonly arising for inclusion in Balance Sheets. The workmen have performed services to the concern, that is, they have earned their wages, from the last settlement to date of Balance Sheet, but they will not be paid until next pay-day, which falls subsequently to that date; meanwhile the concern is in the position of having received the workmen's services without having yet made them a return therefor. To these services, needless to say, is attributable a cash value or money's worth, the amount of which appears on the Debit side of the Balance Sheet as a receipt—a receipt of the services—.

and as a liability to the workmen. This, of course, is not the only instance of the kind of thing referred to, but it serves to illustrate the principle, which is that of Hiring. A workman hires out his labour; an investor in Stocks and Shares hires out his money; a property owner hires out his houses or other properties (by letting them to tenants for rent). And thus we may find recorded in the Balance Sheet the receipt of services that lay not in transferring to the concern the absolute ownership of cash or other asset, but in the performance of some act of value calculated by the concern to operate in the acquisition of assets.

The foregoing remarks as to the shape in which Receipts come into the hands of a concern may obviate misapprehension, but there is no need, as already expressed, to go into such matters deeply in order to understand a Balance Sheet, for which purpose the all-important is to recognise the Debit side as showing on a monetary basis those Receipts, of some kind or another, that still are Liabilities at date of Balance Sheet, and the Credit side as showing where the said Receipts have gone to—by what they are represented—what the concern's

Possessions are at date of Balance Sheet. It will thus be seen that the total on one side of the Balance Sheet must always be of the same amount as the total on the other side.

The balance of the Profit and Loss Account, if Profit, a Receipt, naturally appears on the Debit side of the Balance Sheet; and in case of private concerns it is, subject, of course, to partners' drawings or appropriation, added to Capital, being Profit saved and thereby capitalised. Limited Companies, however, keep Capital and Profit and Loss Account entirely apart in their accounts, in view, for one reason, of the Law's requirements. The Balance Profit, available for dividend or other appropriation, is thus kept apart in the specimen Balance Sheet, as will be seen in due course.

And now with regard to Property, Assets, &c., on the Credit side.

For the present disregard the "&c.," which is explained on a subsequent page. Property whereto value attaches is obviously an Asset.

On first acquiring Receipts a concern naturally proceeds to expend them in the acquisition of Possessions with the view of making

Profits and so increasing its Receipts and, at the same time, Possessions, for the benefit of its members; the concern, in other words, commences business. Profits however are, unfortunately, not the invariable rule. Sometimes Losses result: that is to say, Receipts to a greater or less extent are lost. Losses made during the period from one Balance Sheet to another rightly should operate in reduction of a balance of former Profits, if there is one, that has not otherwise been parted with, supposing, of course, the Losses to be the smaller amount, for part of the former Profits have been lost; there is thus a net balance of Profits left over that would appear on the Debit side of the Balance Sheet; but if there are no such earlier Profits in reserve from which to deduct the Losses, or should the latter be in excess, then Capital has been lost, and the balance of Profit and Loss Account (a balance Loss) would, in case of a private individual, be deducted from Capital on the Debit side of the Balance Sheet. But such a deduction is not permissible to be made by Limited Companies, in whose Balance Sheets the item would appear on the Credit side, showing the balance of Losses.

There is no violation of the stated principle in any of these respects, as one can readily see, on reflection, that the Credit side shows what has become of the Receipts opposite.

Every item on the Credit side of a Balance Sheet, if not an Asset, must be a Loss. There are Assets, however, that may be worth more or less than the figure at which they are stated, as elsewhere touched upon.

The reader is now asked to refer to the specimen Balance Sheet that accompanies these explanations, and which has been made out on the lines of the form originally given in a Schedule to one of the Statutes. It was thought desirable to frame the document as for a Company Limited by Shares (the class of Limited Companies contemplated throughout these pages), for a reason already mentioned; but so far as accountancy is concerned there is no difference in principle between the Balance Sheet of a Limited Company and that of any other concern or individual. There is an essential difference as to detail, the legal feature already referred to, which is that a Limited Company must not reduce the amount of its Share Capital, or increase it

except by the issue of further Shares within the limits originally authorised, without going through some more or less troublesome legal requirements; whilst an ordinary partnership or association may add Profits saved to its Capital, thereby increasing the latter, or may reduce its Capital, subject to the partnership agreement or the regulations governing the individual concern. These, however, are methods of procedure that do not in the least affect the principle of the Balance Sheet as a statement of account.

In parenthesis may be mentioned that limited partnerships are under a certain restriction as provided by Statute.

Before an explanation of the items contained in the specimen Balance Sheet is entered upon, it may be stated that the figures in the outer columns, those that are totalled, show the net position of each account at date of Balance Sheet, whilst additional information appears in the inner columns.

CHAPTER II.

EXPLANATION OF DEBIT ITEMS IN THE SPECIMEN BALANCE SHEET.

THE various items on the Debit side headed "Capital, Liabilities, &c.," may be explained as follows:—

CAPITAL, £5200.

The particulars of this item show how many Shares the Company is entitled to issue—viz., 10,000 Shares. There is also shown that the nominal value of the Shares is £1 each. The nominal value is the amount of the Share as expressed in the Company's Memorandum of Association, and this usually is the figure that the Shareholders became liable to pay, as and when required, to the Company for their Shares at the time of its commencement. The actual value is generally a very different thing, being the amount, after the Shareholders have acquired

their Shares, at which one Shareholder can sell to another or to an outsider, and this may be more or less than the nominal value, depending, of course, upon the market price of the Shares at the date of their changing hands. The nominal value, therefore, directly affects the Company's pocket, whilst the actual value does not. Subject to a certain qualification, applicants for Shares in a Limited Company cannot obtain them from the Company for less than the nominal value. The Law forbids it. Sometimes, on the other hand, Shares are issued at a premium—that is, an amount per Share over and above the nominal value.

This item further shows that the Company has issued 7000 Shares and called up or required from the Shareholders fifteen shillings per Share. It also shows in the inner money column the amount, £5250, that has fallen due to the Company from the Shareholders in respect of the Shares issued to them. From this figure is deducted the item, Calls in Arrear, £50, which is an amount, part of the £5250, that some Shareholder or Shareholders have not yet paid, leaving the sum of £5200, Capital that has been actually received.

The item, Capital, £5200, indicates, therefore, that the Company has received the same from the Shareholders, and that it is a Liability due to them from the Company.

Now it has previously been stated that Capital is a Liability, though one of a peculiar nature. The Shareholders, in a sense, are the partners. The Company is formed of Shareholders. They are the parts that make it up as a whole. The Company having received the Capital from the Shareholders, without giving them an equivalent in return, therefore owes the amount of the Capital to them. But they cannot get it back unless in exceptional circumstances. If the Company be wound up, anything left over after payment of Creditors must be handed over to the Shareholders in the proportions in which they are entitled to the funds of the Company; and should a Company at any time find itself with over much Capital—a thing that does not frequently happen—it may, after observing certain formalities and with the necessary sanction, return the surplus Capital in the proper proportions. In this wise Capital is a Liability, and differs from ordinary Liabilities.

Briefly, Capital amounts to being almost a nominal Liability, that is not payable in ordinary circumstances to the Shareholders, but for which the Company is liable to account to them, this duty being performed by means of the Balance Sheet. You may only pay off Capital in certain peculiar circumstances, whilst you must pay ordinary Liabilities in usual and ordinary circumstances, assuming, of course, that you have the wherewithal to do these things.

The following information may be derived from this the first item in the Balance Sheet :—

| | | | |
|--|--------|----|--------|
| That under its existing regulations the Company is entitled to issue | 10,000 | £1 | Shares |
| That the Company has actually issued | 7,000 | | „ |
| Leaving unissued | 3,000 | | „ |
| That the Company, having issued 7000 Shares of £1 each, has required payment of 15s. per Share | £5250 | 0 | 0 |
| That, one or more of the Shareholders not having paid in full the amount of Call made on him or them, there is still owing to the Company the sum of | 50 | 0 | 0 |
| That by deducting this £50, Calls Unpaid from the full amount, £5250, payable by the Shareholders, we arrive at the amount of Capital actually received from them by these means | £5200 | 0 | 0 |

The Company is of course entitled to demand payment from Shareholders whose Calls are in arrear; in default of payment their Shares may be forfeited to the Company where the power of forfeiture is provided for.

| | | | |
|---|-------|---|---|
| That there having been issued 7000 Shares, of £1 each, at par | £7000 | 0 | 0 |
| And 15s. per Share only having been required from the Shareholders | 5250 | 0 | 0 |
| The Company is entitled to call up the difference, the 5s. per Share yet uncalled | £1750 | 0 | 0 |

The term "at par," as used above, means that these £1 Shares were issued at £1, and not at a premium.

Shares are said to stand at—to be worth—par, when their actual or market value is of the same amount as the sum paid up on them.

With regard to Calls, provision may be found that so much per Share will not be called up before a fixed date; and there are Companies whose regulations make it obligatory for a certain amount per Share to remain uncalled in the ordinary course of events, so as to provide a fund to fall back upon in the emergency of Liquidation.

| | | | |
|---|-------|---|---|
| That (taking for granted that applicants for the Shares would readily come forward), were the Company to issue at par those 3000 Shares yet unissued as shown above, and call them up in full | £3000 | 0 | 0 |
| As well as making the further Call of 5s. per Share on the 7000 Shares that already have been issued, as shown above | 1750 | 0 | 0 |
| Further Capital would come into the Company's possession, amounting to | £4750 | 0 | 0 |

The 100 Shares forfeited, the second item in the Balance Sheet, that will be considered in its order, are included as unissued in the foregoing 3000 Shares, and at present are not issued to any person.

Where Shares are issued as fully or partly paid in consideration of some value, other

Briefly, Capital amounts to being almost a nominal Liability, that is not payable in ordinary circumstances to the Shareholders, but for which the Company is liable to account to them, this duty being performed by means of the Balance Sheet. You may only pay off Capital in certain peculiar circumstances, whilst you must pay ordinary Liabilities in usual and ordinary circumstances, assuming, of course, that you have the wherewithal to do these things.

The following information may be derived from this the first item in the Balance Sheet:—

| | |
|---|------------------|
| That under its existing regulations the | |
| Company is entitled to issue | 10,000 £1 Shares |
| That the Company has actually issued .. | 7,000 .. |

| | |
|------------------------|-----------------|
| Leaving unissued | <u>3,000</u> .. |
|------------------------|-----------------|

| | |
|--------------------------------------|-----------|
| That the Company, having issued 7000 | |
| Shares of £1 each, has required pay- | |
| ment of 15s. per Share | £5250 0 0 |

| | |
|---|--------|
| That, one or more of the Shareholders not | |
| having paid in full the amount of Call | |
| made on him or them, there is still | |
| owing to the Company the sum of | 50 0 0 |

| | |
|--|------------------|
| That by deducting this £50, Calls Unpaid | |
| from the full amount, £5250, payable | |
| by the Shareholders, we arrive at the | |
| amount of Capital actually received | |
| from them by these means | <u>£5200 0 0</u> |

The Company is of course entitled to demand payment from Shareholders whose Calls are in arrear; in default of payment their Shares may be forfeited to the Company where the power of forfeiture is provided for.

| | |
|--|------------------|
| That there having been issued 7000 Shares, | |
| of £1 each, at par | £7000 0 0 |
| And 15s. per Share only having been | |
| required from the Shareholders | 5250 0 0 |
| The Company is entitled to call up the | |
| difference, the 5s. per Share yet uncalled | <u>£1750 0 0</u> |

The term "at par," as used above, means that these £1 Shares were issued at £1, and not at a premium.

Shares are said to stand at—to be worth—par, when their actual or market value is of the same amount as the sum paid up on them.

With regard to Calls, provision may be found that so much per Share will not be called up before a fixed date; and there are Companies whose regulations make it obligatory for a certain amount per Share to remain uncalled in the ordinary course of events, so as to provide a fund to fall back upon in the emergency of Liquidation.

| | |
|---|------------------|
| That (taking for granted that applicants for | |
| the Shares would readily come forward), | |
| were the Company to issue at par those | |
| 3000 Shares yet unissued as shown | |
| above, and call them up in full .. | £3000 0 0 |
| As well as making the further Call of 5s. per | |
| Share on the 7000 Shares that already | |
| have been issued, as shown above | 1750 0 0 |
| Further Capital would come into the | |
| Company's possession, amounting to | <u>£4750 0 0</u> |

The 100 Shares forfeited, the second item in the Balance Sheet, that will be considered in its order, are included as unissued in the foregoing 3000 Shares, and at present are not issued to any person.

Where Shares are issued as fully or partly paid in consideration of some value, other

than cash, handed over to the Company by the Shareholders concerned, the position is in principle as if the Company had received actual cash and purchased therewith the said value, which in either event naturally appears on the Assets side of the Balance Sheet, with of course Capital on the Debit side.

The Capital shown in the specimen Balance Sheet is, it will have been seen, all in one class of Shares, but, as the reader is no doubt aware, there are several varieties of Shares issued by Limited Companies, an explanation of which is scarcely within our present purposes. All, however, are Capital, and the distinctions between them, so far as accounts are concerned, may be said to affect nothing more than the proportions and priorities to be observed as to dividends out of profits, and, in the event of a Winding up or Liquidation, as to Capital. With some Companies the Capital is under the classification of "Stock," which must not be confused with the Asset, Stock on hand, dealt with in due course, that appears on the Credit side, and consists of the stores in hand of goods used in the business.

FORFEITED SHARES, £25.

Besides the Shares issued, as shown in the particulars of the preceding item, Capital, there were certain other Shares issued at the same time and in the ordinary course to some Shareholders who, it since turned out, could not or would not pay up a Call made on them in respect of these Shares, and who had thus paid only a part of their liability—this £25. In such circumstances these particular Shares, as well as the sum of £25 paid on them, were forfeited, after certain formalities had been gone through; whereupon the Shares themselves became, not indeed as if they had never been issued, but yet part of the unissued Share Capital of the Company; the £25 became forfeited to the Company and ceased to represent Share Capital pure and simple; and the Shareholders who paid the £25 ceased to be Shareholders and lost all their rights to that sum, together with all other appurtenant rights in the Company.

This item, in fact, has ceased to be a Liability to the individuals who, prior to the forfeiture, were Shareholders, and from whom

the Company received the amount, £25; it has become a Liability to the Shareholders generally, though, being Capital, it cannot be paid to them unless in exceptional circumstances. It should be regarded as applicable for anything in the nature of Capital expenditure, but not for payment of dividend or of expenses strictly chargeable against the Income.

If, as previously suggested, the Company succeed in re-issuing these 100 Shares for so much as £100 cash, the amount of the £25 already forfeited becomes a realised Capital Profit on the transaction. But this might be offset by Losses in other directions.

FIRST MORTGAGE DEBENTURES, £4000.

As already stated, Shareholders are in some sort the partners in a Limited Company, and share the Profits; if there are no Profits the Shareholders get no dividend. Mortgage Debenture Holders are not partners in the Company, in any shape or form, nor do they share the Profits, but, in priority to Shareholders, they get for the use of their money a fixed rate of interest, which the Company must pay, even where there are no Profits, if there

are Capital funds available. They are, in fact, Creditors who have lent money to the Company, receiving in exchange the documents called Mortgage Debentures, which, together as a rule, constitute a Mortgage of the whole or part of the Company's Possessions, each Mortgage Debenture Holder, in return for the money he has lent, having thus a share of a Mortgage on Assets of the Company, and taking a fixed rate of interest on his loan—a very different position from that of the Shareholder.

The term "Debenture" is also applied to a document which is not in any degree a Mortgage, but merely amounts to being a promise to repay, bearing interest, and issued by the Company to the lender. The Mortgage Debenture is naturally the more satisfactory and the more usual.

All Debenture Holders, whether of Mortgage Debentures or otherwise, are Creditors and not Shareholders.

Unlike Shares, Debentures may be issued to the public below the face value: that is, at a discount.

We may gather from this item, "First Mortgage Debentures, £4000," of which the

issue is taken as made at face value, that loans have been received to the extent of that amount, and, if the Company go to the wall, the Debenture Holders would be entitled to repayment in full out of the Assets covered by the Debentures before any Mortgages of a lower standing and the general body of Creditors, Shareholders coming last of all. The footing upon which such charges are situated as between themselves depends on the conditions of issue and their legal significance. There are cases where charges can be created over the heads of the holders of existing ones.

From the particulars given it appears that forty of the documents, of £100 each, have been issued to the Debenture Holders, and that the latter are entitled to be paid interest at a fixed rate of four per cent. per annum.

The item we are dealing with thus indicates the persons to whom the Liability is due, but, though a Liability due from the Company to the Debenture Holders, it is not payable to them until the completion of such period of years as may have been fixed by the terms of the Debentures, with or without notice being given;

or the terms may provide that the moneys are not repayable except in the event of the Company's failing to pay the interest when due, or going into Liquidation.

Loans received on Debentures of any description are Loan Capital of the Company in their natural essence.

MORTGAGE, £1000.

This item, similar in principle to the preceding one, records a loan of £1000, for which the lender has been given an ordinary Mortgage on Possessions of the Company.

It shows there is a Liability of that amount due from the Company, and indicates the Creditor to whom it is due: viz., the Mortgagee who lent the £1000 to the concern. This Liability, as in the case of the last item, is not a debt payable at any moment, but is governed by the conditions attaching to the Mortgage.

Like Mortgage Debenture Holders, a Mortgagee is a secured Creditor, holding a charge on property of the concern and so enjoying prior rights as to repayment. The item appears in the specimen Balance Sheet as

a charge not in precedence to the Debentures but either in the same rank or subordinate.

Loans received by the Company on Mortgage are Loan Capital.

SUNDRY CREDITORS, £682 4s. 6d.

From this item it appears that something has been received by the Company from various quarters, say goods for the most part, required in a business. This "something received" is stated at a monetary figure, £682 4s. 6d., the aggregate amount charged for the goods or other value by those who supplied the Company therewith, and who are unpaid, *i.e.* Creditors at date of Balance Sheet. The item consists, like other Liabilities, of receipts of some kind that the concern has had, and for which, at date of Balance Sheet, it has not so far paid or given an equivalent; but in this case ordinary business debts, unsecured, payable in the general course.

BILLS PAYABLE, £150.

This simply means Creditors for £150, to whom, instead of paying money, the Company has given Bills for that amount, payable by the Company, or on their account, at some future date as stated in the Bills. These

Creditors, at date of Balance Sheet, are still unpaid, having received not cash but only the Bills—written documents which convey the Company's undertaking that the money shall be paid at a future time; but it is proper to show distinctly in the Balance Sheet the Creditors to whom such documents have been given entirely separate from Creditors who are not holders of Bills, and this is shown in the manner stated. The title, "Bills Payable," is thus a shorter form of saying "Creditors holding Bills Payable."

This item, needless to say, is in addition to the preceding one, Sundry Creditors, £682 4s. 6d., and (ignoring any question of interest which might tend to confuse), had the Bills Payable not been given, the £150, if still unpaid, would be added to and form part of that item, which would thus be increased to £832 4s. 6d., unless, of course, the holders of these Bills were in respect of debts that should be shown and described separately in any event.

DEBENTURE INTEREST UNPAID, £75 6s. 8d.

As previously stated, the Debenture Holders have made a loan to the Company, of which loan the amount is entered in the Balance Sheet

as received from and as a Liability to the Debenture Holders. But the inducement for them to lend the money to the Company was the fact that they were to receive interest thereon, at the fixed rate stated in the Debentures, in return for the services to be rendered to the Company by means of this loan.

And so, though the amount of the loan itself appears, as we have seen, in the Balance Sheet, there is something more that, if unpaid, must also appear: viz., Debenture Interest. This item then, £75 6s. 8d., is the amount of the Debenture Interest fallen due but unpaid at date of Balance Sheet, and is the value at which those services received from the Debenture Holders, and below explained, are placed.

In principle, services of two distinct kinds have been performed, though the first is of no use without the second. The first service lies in the Debenture Holders placing the amount of the loan, £4000, in the possession of the Company, whereupon that sum at once becomes a receipt of the Company's and a Liability to the Debenture Holders, and thus it is entered in the Balance Sheet. The second

service lies in the Debenture Holders allowing the loan to remain in the Company's possession, for the Company's use, during the length of time embraced by the Mortgage Debentures, and this service is re-paid by the Company's paying to the Debenture Holders interest at the rate, in this instance, of four per centum per annum on the amount of their loan.

Debenture Interest is usually paid half-yearly at dates that are fixed by the terms of the Debentures. In making out the specimen Balance Sheet, the periods during which the Debenture Interest becomes due have been taken to be the half years ending 30th June and 31st December; and the dates on which it is payable, 1st July and 1st January, in each year. The item, Debenture Interest Unpaid, £75 6s. 8d., is the half-year's interest to 31st December, 1918, that is payable the next day, 1st January, 1919, and so, at date of Balance Sheet, it is not yet paid.

We may thus gather from this item that services, valued at £75 6s. 8d., have been received by the Company from the Debenture Holders, in that the amount of their loan continued in the Company's use for the half year ending 31st December, 1918, services that,

at date of Balance Sheet, the Company had not yet paid for, and of which the amount, £75 6s. 8d., is therefore a Liability.

Should the interest fall into arrear, the Debenture Holders protect themselves by such measures of control of the Company's Assets as are provided by the conditions attaching to their Debentures.

It is clear from the Balance Sheet that there are no such arrears of Debenture Interest. If, for example, the interest for the previous half year, to 30th June, 1918, were still owing, it would of course be added to and form part of this item, Debenture Interest Unpaid, which, instead of being £75 6s. 8d., would naturally be double the amount, as the rate of Income Tax is the same for both periods.

As it is, the item is arrived at as follows:—

| | £ | s. | d. |
|--|-----|----|----|
| Mortgage Debentures £4000 @ 4% per annum | 160 | 0 | 0 |
| One half-year's interest is therefore one half of £160 | 80 | 0 | 0 |
| Deduct Income Tax at 1s. 2d. in the £ | 4 | 13 | 4 |
| Leaving the amount due to Debenture Holders | £75 | 6 | 8 |

The Company should always deduct Income Tax, for it is the Company that will be called upon to pay it to the Income Tax Collector.

This £75 6s. 8d., has been charged on the expenses side of the (detailed) Profit and Loss

Account in the Ledger, being thus deducted from the Profits of which the balance for the year, £698 18s. 4d., appears in the specimen Balance Sheet after such deduction, which, however, though without affecting the result, is commonly shown; for this expenditure, being interest on Capital, is in the nature of a distribution of Profit, if Profit there be. If the concern were making Losses instead of Profits, it need hardly be said that the effect of charging the item against Profit and Loss Account would be to increase the Losses; whilst, Debenture Holders being Creditors and not Shareholders, the services must none the less be paid for, the item, Debenture Interest Unpaid, consequently appearing in the Balance Sheet just as it does now.

On a former page is stated that this class of item records the receipt of services rendered by way of hiring out something to the concern, the "something hired" in the present instance being money. It depends upon the concern and its opportunities as to whether or not the services of hiring are attended by the acquisition of Assets to represent the value attached to them.

WORKMEN'S WAGES UNPAID, £65 17s. 11d.

Such an item has already been dealt with. It may, however, here be stated that services valued at £65 17s. 11d. have been received by the Company from the Workmen, for the latter have to this extent earned their wages from the day up to which they were last paid to date of Balance Sheet, and—the Company at that date having not yet paid them off—the item remains a Liability, due, as it states, to the Workmen. It is, however, to be discharged on the next pay day, after date of Balance Sheet.

Just as in case of the preceding item we have seen that the amount of Debenture Interest Unpaid is what is owing by the Company for "hire" of the Debenture Holders' money, so the item now under consideration informs us of the liability due to the employees for their personal hire as Workmen.

UNCLAIMED DIVIDENDS, £9 8s. 4d.**RESERVE FUND, £100.**

For the sake of convenience these two items will be dealt with after treatment of the next item, Profit and Loss Account.

PROFIT AND LOSS ACCOUNT, £507 11s. 8d.

The first portion of the details of this item, down to and including the figure, £53 10s.,

is sometimes headed "Revenue Account," and the remainder "Profit and Loss Account." Sometimes the whole of it is headed "Revenue Account." But the heading matters little, so long as the details show plainly enough the balance of Profits at the beginning of the period, and the net Profits for the period, together with their disposal.

The £507 11s. 8d., net balance of Profit and Loss Account at 31st December, 1918, is Profit; this is clear from the fact of the item being on the Debit side of the Balance Sheet—the side that shows the concern's Receipts of some kind or other—and Profits are, of course, receipts of cash or other asset. Should, however, the net balance of Profit and Loss Account appear in a Balance Sheet on the Credit, or Expenditure side, instead of on the Debit, or Receipt side, it would, as already explained, mean a Loss. For if at date of Balance Sheet there be a balance Profit, the concern must have received it in some shape or form, and, on the other hand, should there be a balance Loss, the concern must have expended the amount thereof and lost it.

The item, £507 11s. 8d., a receipt of the Company's, is the balance Profit remaining

undisposed of at date of Balance Sheet. Its particulars show that—

1. The Balance Profit undisposed of at the end of the previous year, 31st December, 1917, and carried forward to the Balance Sheet we are now dealing with, was £298 6s. 8d., a sum that would occupy the same place in the Balance Sheet at 31st December, 1917, as the £507 11s. 8d. occupies in the Balance Sheet at 31st December, 1918.
2. A dividend, amounting to £244 16s. 8d., was paid to the Shareholders on 21st February, 1918; this dividend, being paid on account of the previous year, disposed of part of the balance Profits brought forward, £298 6s. 8d., and we therefore deduct the one from the other, the balance of Profits left undisposed of at this point being £53 10s., as the figures show.
3. To this £53 10s. is now added £698 18s. 4d., the net Profit for the year ending 31st December, 1918, the balance left after deduction from the gross Profit of all expenses and charges

payable out of Income in the usual course, including Debenture and Mortgage interest.

4. The balance Profits, £752 8s. 4d., resulting from the said addition, is reduced by a further dividend—an intermediate one—paid, on account of the current year, to the Shareholders on 3rd August, 1918, to the extent of £244 16s. 8d., which leaves the sum of £507 11s. 8d. undisposed of at the end of the year.

But it does not by any means follow that, because there has been a net receipt of Profit, £507 11s. 8d., the Company at date of Balance Sheet has it in cash. These Receipts of the Company's, as already explained, are not in cash alone, but are partly in money and partly in what has been esteemed as money's worth; and moreover, some of the Profits may, for sound financial reasons, have been used in the business. If there is not sufficient cash at Bank and in hand at date of Balance Sheet to equal the balance Profits at that date, it necessarily follows that (at least) any shortage

is represented *somewhere* on the Credit side amongst the items other than cash at Bank or in hand.

This may be made more clear in the following manner:—

| | | |
|--|-----------|-----------|
| On the Debit side of the Balance Sheet is a balance Profit of .. | | £507 11 8 |
| On the Credit side are— | | |
| Cash balance at Bank | £388 16 6 | |
| Cash balance in hand | 24 0 10 | |
| Which added together make a Cash total of | 412 17 4 | |
| By deducting from the balance Profit the total Cash, a balance Profit is left amounting to | £94 14 4 | |

Now as the totals of both sides of the Balance Sheet are of the same amount, (at least) this sum, £94 14s. 4d., not being in cash, must of necessity be represented somewhere or other amongst the remaining items on the Credit side. This is merely to illustrate the idea, but it must be remembered that, strictly speaking, one must not as a rule pick out an item in the Balance Sheet and assume as a matter of course that it is represented by one or more selected items or part thereof on the other side; for the debit items, as a whole, are represented by the credit items,

as a whole, and it is impossible without keeping them all in view to judge which represents which. There are exceptional cases where this can clearly be done, and an item on one side “ear-marked” or identified as representing an item on the other. This happens, to give a familiar instance, in case of a Reserve Fund invested in Securities outside the business, when the Reserve appearing on the Debit side of the Balance Sheet would be represented by the Investment Account on the Credit side.

The particulars contained in a Balance Sheet may of course be reduced, for one’s personal information, into a smaller compass by summarising items of the same class on either side, when the resulting items, forming a condensed Balance Sheet, may be taken judiciously against one another, debits against credits.

This item, Profit and Loss Account, £507 11s. 8d., being on the Debit side of the Balance Sheet, is, of course, a Liability, though another instance exhibiting peculiar features. Now there has been Capital received from the Shareholders—a transaction that is recorded in the first entry on the Debit

side of the Balance Sheet. The Company has also received a second service from the Shareholders by the latter having deposited their Capital to remain in the Company's use with a view to the production of Profits, and for the performance of this second service the Shareholders' inducement was the expectation of having Profits at their disposal, but with the risk of going unrewarded if there are no Profits. Whilst Profits are absent the said further service has proved of no value, and Profit and Loss Account is not afforded a place as a Receipt on the Debit side of the Balance Sheet. In the case, however, under our notice, this account, presenting a favourable balance of £507 11s. 8d., records the receipt of such further service, Profits being received on the Shareholders' account and by virtue of the use of their Capital; and thus the Profits that enter the Company's possession, in the shape of cash or its deemed equivalent, are derived from the second service of the Shareholders as above described.

The balance of Profit and Loss Account, £507 11s. 8d., besides being a receipt of the Company's, is thus a Liability due to the

Shareholders, but of this peculiar nature: that it is not as a matter of course actually payable to them. Under such conditions as may be imposed by the Articles of Association they may direct that the whole or part of these Profits be paid to themselves in dividend, or kept in hand, or used in meeting expenditure such as would not otherwise be provided for out of Income: in short, a Company's net Profits are at the Shareholders' disposal. As already stated, we have proceeded on the basis of one class of Shares only; the destination of a concern's Profits, where there are priorities, as Preference Shares, is naturally affected by the rights attaching thereto. The Articles contain, as a rule, provision with regard to the Shareholders' General Meeting, which must be held at least once a year; and at such Annual Meeting—taking place after the close of the financial year—the balance Profit is disposed of. The Directors, however, may be found empowered to pay during the year an interim or intermediate dividend, should circumstances so warrant, without having to obtain the sanction of a General Meeting of Shareholders.

The amount of dividend deducted from the Profits in the specimen Balance Sheet—£244 16s. 8d. for each half year—is arrived at in the following manner :—Ten per cent. per annum on the Capital received, £5200, is the sum of £520; one half of this, £260, is therefore the gross amount of dividend for the half year; and £260 less Income Tax at one shilling and twopence in the pound (the rate of Tax prevailing in both periods), affords the above result.

UNCLAIMED DIVIDENDS, £9 8s. 4d.

There may be thought to exist some sort of contradiction regarding this item in the Balance Sheet. Under the heading, Profit and Loss Account, is shown that two dividends were paid during 1918, and partly, let us say, in the one and partly also in the other, is included the £9 8s. 4d. which the Balance Sheet elsewhere states to be the amount of Unclaimed, *i.e.* Unpaid, Dividends at the end of the year. But the explanation is this: The two sums of £244 16s. 8d. each, were set aside out of Profits for payment of

dividends which, to all intents and purposes, were paid as stated on 21st February and 3rd August, 1918, respectively, for on those dates the Company sent out to the Shareholders all the dividend warrants, that is, cheques on the Company's Bankers for the various amounts, due to the Shareholders on their respective holdings of Shares, that in total make up those two dividends of £244 16s. 8d. each. But at 31st December, 1918, a portion of the dividend warrants, amounting to £9 8s. 4d., had not been presented by the Shareholder (or Shareholders, as the case may be) entitled to do so to the Company's Bankers for payment; such dividends are consequently unclaimed and unpaid at that date, thus remaining Liabilities as shown in the Balance Sheet. The position is that the amounts, Liabilities to the Shareholders, set aside out of Profits for dividend, have not been subjected to deduction so far as this £9 8s. 4d. is concerned; nor has the Cash at Bank. The same result, arithmetically, would be arrived at by striking out of the Balance Sheet the item "Unclaimed Dividends, £9 8s. 4d.," and,

instead of stating the dividends in full at £244 16s. 8d. each, by substituting for those figures the dividend totals actually paid by the Company's Bankers up to and including 31st December, 1918. For this purpose, however, it will simplify matters, without affecting the result, to consider these Unclaimed Dividends, £9 8s. 4d., to be wholly in respect of the second dividend; and so—

| | |
|---|-----------------|
| Full amount of dividend warrants sent out on | |
| 3rd August, 1918 | £244 16 8 |
| Less Unclaimed Dividends at 31st December, 1918 | 9 8 4 |
| Leaving the amount actually paid by Company's Bankers | |
| | <u>£235 8 4</u> |

On this basis, instead of £244 16s. 8d., £235 8s. 4d. would be the figure to be deducted from the £752 8s. 4d. shown under the heading of Profit and Loss Account in the Balance Sheet.

| | |
|----------------------------|---|
| And so, from the amount | £752 8 4 |
| Deduct the above figure .. | 235 8 4 |
| Leaving the net balance of | |
| Profit and Loss Account | <u>£517 0 0</u> instead of <u>£507 11 8</u> |

But it can readily be shown that this would be quite wrong in principle. What we have done has had the effect of taking out the £9 8s. 4d. in one place and putting it in

again in another. Although we have struck it out as Unclaimed Dividends it has become added to the net balance of Profit and Loss Account, for—

| | |
|--|-----------------|
| Net balance of Profit and Loss Account per | |
| Balance Sheet | £507 11 8 |
| Add Unclaimed Dividends | 9 8 4 |
| Leaving the figure arrived at as above shown | |
| | <u>£517 0 0</u> |

And this is where it would be wrong. Unclaimed Dividends are a Liability to a limited number, to one or to a few of the Shareholders, whilst the net balance of Profit and Loss Account is a Liability to the general body of Shareholders and at their disposal. It should therefore not be confused in any way with Unclaimed Dividends, which are not at their disposal, and will not revert to the Company unless power to forfeit them—after the more or less considerable lapse of time that would be defined—is contained in the Articles. It would thus be inaccurate and misleading to include these two items in one amount; they must be stated separately and distinctly as in the specimen Balance Sheet.

The particulars as to Unclaimed Dividends and Profit and Loss Account might, it is true,

but without any necessity, be set forth in the Balance Sheet with the following additions and modifications, the result, as will be observed, remaining exactly the same:—

Unclaimed Dividends—

Amount set aside out of Profits, as below stated, for Dividend:

| | |
|--|------------------|
| For the half year ending 31st December, 1917 .. | £244 16 8 |
| For the half year ending 30th June, 1918 | £244 16 8 |
| | <u>£489 13 4</u> |

Less total amount of Dividend
Warrants presented to the
Bankers for payment and
cashed by them

| | |
|----------|---------------|
| £480 5 0 | <u>£9 8 4</u> |
|----------|---------------|

Profit and Loss Account—

Balance at 31st December, 1917,
as per last Balance Sheet .. £298 6 8
Less amount set aside for Dividend
@ 10 % per annum for the half
year ending 31st December, 1917

| |
|-----------------|
| £244 16 8 |
| <u>£53 10 0</u> |

Add Balance Profit for the year
ending 31st December, 1918 .. £698 18 4

| |
|-----------------|
| <u>£752 8 4</u> |
|-----------------|

Less amount set aside for Dividend
@ 10 % per annum for the half
year ending 30th June, 1918 .. £244 16 8

| | |
|------------------|------------------|
| <u>£244 16 8</u> | <u>£507 11 8</u> |
|------------------|------------------|

RESERVE FUND, £100.

The title "Reserve Fund," as used on the Debit side of the Balance Sheet, may be taken to be the same thing as "Reserve Account"

or "Reserve" so far as need concern the novice. The item we are now considering is Profit set apart in one or more years and has thus once formed portion of the balance of Profit and Loss Account. That is to say, if this £100 had not been transferred or set aside out of Profits, the latter, the net balance of Profit and Loss Account, would have appeared as so much the larger in amount. It has therefore been received in the same shape as the Profits themselves—in cash or other asset deemed the equivalent to cash.

The purpose for which the Reserve is created is not necessarily described in the Balance Sheet. It is not stated in the specimen Balance Sheet, because the item we are dealing with has therein been given as a general illustration; for all true Reserves are alike in principle though formed for different requirements, and their object is always the provision against some expenditure or loss that may—or will—befall to be coped or dealt with in the future.

A Reserve Fund may be found to have been invested outside the business, when the Investments representing it will appear on the Credit

side of the Balance Sheet. If neither in cash nor invested outside the business the amount must necessarily have been employed therein, the Reserve thus being represented somewhere amongst the items on the Credit side.

The Reserve is a Liability to the Shareholders, but of this peculiar nature : that having been laid aside out of Profits it is not intended as a sum due to be paid to the Shareholders, but to fulfil the purposes for which they created it; these purposes, as we may presume, being for the Company's benefit, and therefore for benefit of the Shareholders. In case, however, of a Reserve Fund created in good times for the purpose of keeping up the dividends should less favourable times appear, it is contemplated that the whole or part of the Reserve may at some time or other be paid to them.

So much at the present for Reserves that have their origin in Income; there are some that originate from Capital. Profit may accrue to a Company, not an Income Profit, but a Capital Profit, in the nature of an increase of Capital. As Limited Companies cannot, by a stroke of the pen, increase their Capital, even though in principle it has grown larger than the amount of

Capital stated in the Balance Sheet, such an increase should be treated as a Reserve. An item of this kind in the Balance Sheet may not be found stated in direct terms as a Reserve, but the title showing the origin of the item is a sufficient indication of its nature. Instances of Capital Profits are :—Premium on Shares, Profit on sale of business premises, land, patents, or other Assets of which purchasing to sell again was not in the course of the Company's ordinary business. They are properly available for the purposes to which Capital itself may be devoted, and, though there be circumstances where they can legally be distributed amongst the Shareholders, the latter course is generally inadvisable.

To increase the book values of such Assets on the Credit side by any net surplus shown on a valuation, involves the record of a Capital Profit of the same amount on the Debit side. This being unrealised naturally requires still greater circumspection.

In view of the misleading way in which Reserve Accounts have at times been treated, let the reader particularly note :—Whilst the Reserve appearing on the Debit side may be

viewed as having formerly been received in some shape or other, the questions are: Has it been retained? What is the position now? And even if it appears as represented by specific Investments, the Reserve itself may in effect have ceased to exist; for should the Assets, on the Credit side, (permanently) be worth less than the figure at which in the outer column they are stated, to the extent, say, of the same amount as that of the Reserve opposite, such Reserve may in prudence be considered no longer existent, any value, that on the Credit side had represented it, taking the place made vacant by the said shrinkage in the Credit item or items. This is also alluded to in the following chapter.

Here closes the explanation of the Debit side of the Balance Sheet whereon are set forth the Receipts that the concern has had without having yet given an equivalent, and that are therefore Liabilities, at date of Balance Sheet, thus showing to whom the Possessions, stated on the other side, belong.

CHAPTER III.

EXPLANATION OF CREDIT ITEMS IN THE SPECIMEN BALANCE SHEET.

THE various items on the Credit side of the Balance Sheet, headed "Property, Assets, &c.," are now to be considered, premising that a concern may be looked upon as a kind of trustee holding the Possessions shown on the Credit side in trust for the persons indicated on the Debit side. And, be it remembered, credits as well as debits are stated in the position at which they stood on the date of Balance Sheet.

FREEHOLD LAND, £1500.

The value stated, in this case £1500, is usually the amount that the Company paid for the property, and in consequence the Asset may be worth more or less than the figure at which it is stated in a Balance Sheet; for it has possibly gone up in value or appreciated; it may

have gone down in value or depreciated. This subject is one of many that cannot conveniently be dealt with in all their bearings within the restricted space and aims of a work of this description, but the following remarks should not be omitted. If an Asset is worth more than the amount shown in the Balance Sheet the concern is at least on the safe side; and on the other hand, when a fall in value of Freehold Land does take place, it may be entirely in the nature of a fluctuation; differing from the Depreciation in respect of a purchase of Leasehold Land—an Asset that wastes away or depreciates year by year until the Lease has run out, when it is worth nothing to the Lessee because of its reverting to the owner of the Land who granted the Lease; differing also from the Depreciation of Machinery, for Machinery wears out, and, apart from Wear and Tear, may depreciate through becoming out of date.

The wasting of Leasehold Property, the Wear and Tear of Plant and Machinery, and the like, are anticipated when the Assets are purchased, and so can be regularly provided for year by year, whilst Freehold Land may never depreciate.

Considerable inconvenience would be caused were mere fluctuations in the value of Freehold Land, or of other fixed Assets, to be continually given effect to in the Balance Sheet and accounts; but any fall in value of a serious nature should, assuming it has not been written off out of Profits or Reserve, be so pointed out on the face of the Balance Sheet as not to conceal the diminished worth of the Assets; and an application to the Court for reduction of Capital might be necessary. Fixed or permanent Assets, it may be mentioned, are such as are acquired to keep for the purpose of carrying on the business; whilst the composition of floating or circulating Assets is continually changing; and, broadly speaking, provision for Depreciation, essential in case of the latter class, should be made also with regard to the former as a matter of prudence.

| | £ | s. | d. | £ | s. | d. |
|-------------------------------|-------------|----------|----------|-------------|----------|----------|
| FREEHOLD BUILDINGS ... | 3000 | 0 | 0 | | | |
| <i>Less</i> DEPRECIATION ... | <u>150</u> | <u>0</u> | <u>0</u> | | | |
| | | | | 2850 | 0 | 0 |

These are Buildings that stand on the Freehold Land. The figure at which they appear in a Balance Sheet is usually the amount paid for them, subject to deduction from year

to year of Depreciation. The instance before us shows the balance of this account at the end of last year, £3000, less the amount written off for 1918, £150, leaving the balance at the end of this year, £2850.

Buildings naturally "wear out" in a lapse of years. The rate to be deducted each year to cover this "wearing out" or Depreciation depends on circumstances—as the quality of building, and the purposes for which the premises are used—and is thus an Estimate. Sometimes the Asset, stated in the Balance Sheet at cost price without any deduction for Depreciation, is claimed to be maintained at that value by means of the Repairs and Renewals expended out of Profits.

Enquiry is of course invited where there appears to be no provision for Depreciation of this or any other Asset with a similar propensity.

| | £ | s. | d. | £ | s. | d. |
|------------------------|------|----|----|------|----|----|
| LEASEHOLD BUILDINGS... | 3600 | 0 | 0 | | | |
| Less DEPRECIATION ... | 327 | 5 | 6 | | | |
| | | | | 3272 | 14 | 6 |

These are Buildings, together with the land on which they are erected, whereof a Lease has been purchased.

Like Freehold Buildings, they are shown in the Balance Sheet usually at cost price, subject to reduction by annual Depreciation, based in this case on the length of the Lease. Let us now suppose that the Leasehold is found stated in the Balance Sheet without any deduction for Depreciation having been made, whilst on the Debit side appears that class of Reserve called Sinking Fund, formed out of Profits by setting aside an amount on exact lines each year so that when the Lease expires the Fund, wherein interest has been taken into account, will amount to the sum for which that Asset was purchased; the Sinking Fund should generally be invested outside the business, the investments representing it appearing amongst the Assets on the Credit side of the Balance Sheet. The object of this is, of course, to reserve out of Profits a precisely computed amount, and to put it away in a safe place from time to time, so that when the Lease has run out the Company will have realisable investments worth the sum paid for it; a replacement out of Income of the lost Capital, in an available form. But the question of non-existent Reserves is involved

in this connection; and the proper course is to deduct the Sinking Fund as Depreciation from the wasting Asset on the Credit side, and not under such conditions to place it as a Reserve on the Debit.

The objection would manifestly also apply if, Depreciation having, as in the foregoing instance, already occurred (whether of Leasehold or other Asset), a simple Reserve were shown on the Debit side of the Balance Sheet, the credit item not being subjected to the deduction of Depreciation.

| | £ | s. | d. | £ | s. | d. |
|------------------------------|------|----|----|------|----|----|
| PLANT AND MACHINERY | 1600 | 0 | 0 | | | |
| <i>Less DEPRECIATION</i> ... | 112 | 0 | 0 | | | |
| | | | | 1488 | 0 | 0 |

This item usually appears at cost price subject to reduction from year to year by Depreciation, the appropriate rate of which depends on circumstances, and is an Estimate.

Here may be stated with regard to Depreciation in general that, instead of deducting year by year from the Asset the annual amounts reserved out of Profits for Depreciation, a similar result, so far as regards arithmetical correctness, would be arrived at

by stating them in total, on the Debit side, thus in fact forming a "Reserve" of the character referred to under the previous heading, Leasehold Buildings.

Had we before us the Profit and Loss Account for the year ending 31st December, 1918, and containing the details that result in the Balance Profit of £698 18s. 4d. which appears as the balance for that year in the specimen Balance Sheet, we should find, amongst the items of expenditure, Depreciation, perhaps in one sum, £589 5s. 6d., perhaps in the three items, £150, £327 5s. 6d., and £112, that have just passed under our notice and together amount to that figure. Depreciation being charged amongst expenditure in the Profit and Loss Account means, needless to say, deducting it from Profits; and here is an example of the two-fold aspect of all transactions that double-entry book-keeping so strongly manifests. By the fact of Depreciation being deducted from an Asset we learn that so much is treated as lost, whilst in the account designed to include a record of Losses—Profit and Loss Account—the Depreciation must also be entered, on the Expenses side. It is thus recorded in the

accounts as a Loss that, reducing the value of an Asset, at the same time reduces a Liability to the Shareholders—viz., the Profits.

STOCK IN TRADE or STOCK ON HAND, £1475.

This figure is arrived at by the valuation known as Stock-taking, made at the date of the Balance Sheet. The Stock should, to state a rule, be valued at either cost price or the market price of the day, in this case 31st December, 1918, at which it is taken, whichever should happen to be the lower. This has the effect of providing for Depreciation if the value has fallen below cost; and, on the other hand, is to avoid anticipating Profit where the value has risen.

| | £ | s. | d. | £ | s. | d. |
|------------------------------|-----|----|----|-----|----|----|
| SUNDRY DEBTORS ... | 640 | 10 | 0 | | | |
| <i>Less</i> DEBTS CONSIDERED | | | | | | |
| DOUBTFUL AND BAD ... | 50 | 0 | 0 | | | |
| | | | | 590 | 10 | 0 |

These Debtors owe £640 10s. to the Company for, let us say, goods the Company has supplied them with, this figure including such as are deemed to be Doubtful and Bad, together with Good Debts; Debts considered Doubtful and Bad, £50, being deducted, the result, £590 10s., is naturally the amount of

Debts to be considered Good. On taking up a Balance Sheet it may, however, be found that the net amount only appears; without showing, for instance, the £640 10s. and the £50, the particulars given might be "Sundry Debtors after making provision for Debts considered Doubtful and Bad, £590 10s.," or even "Sundry Debtors, £590 10s.," the outer money column, the one that is totalled, remaining unchanged.

The sum of £50, besides reducing the amount of Sundry Debtors, has also been deducted from Profits. Here again is strongly pointed out that in double-entry book-keeping every transaction is shown to be of a two-fold nature. The worth of the Asset has fallen, as estimated, to the extent of £50, the amount provided against Bad and Doubtful Debts, which is therefore deducted so as to show the Debtors at a fair value. This apprehended decrease is thus dealt with as a Loss which must be placed amongst the Losses or Expenses, in the (detailed) Profit and Loss Account, as a deduction from the Profits.

Instead of being treated in the manner shown by the item now under our consideration,

the amount, £50, seeing that it is, in this instance, anticipatory, and not in respect of Debts proved to be bad, could perhaps be placed without impropriety as a Reserve for Bad and Doubtful Debts in the outer column on the Debit side of the Balance Sheet, whilst Sundry Debtors, £640 10s., would appear in the outer column on the Credit side. The crossing of items in this way is also referred to on a subsequent page. As already alluded to, the items of Depreciation and the Assets they are deducted from in the specimen Balance Sheet might be similarly, though in their case erroneously, treated, and still leave an arithmetically correct statement.

BILLS RECEIVABLE, £130 10s.

The meaning of this item is that certain Sundry Debtors, *not* included amongst those shown by the last item, instead of paying their debts in cash, have given Bills (a term comprising both Bills of Exchange and Promissory Notes) payable to the Company in cash at some future date, and that the Company had these documents in hand and unpaid at date of Balance Sheet.

If they had been discounted, *i.e.*, cashed at a discount, by the Bankers, Bills Receivable would not appear in the Balance Sheet, whilst the proceeds would have increased Cash at Bank, leaving the Company with a Contingent Liability; for, should a debtor fail to pay off his Bill on its falling due, the Bank must not be the loser, but would look to the Company for repayment, and the Company in its turn would have to take whatever course for recovery of the Debt that might be thought fit. If not already covered by an appropriate Reserve this Contingent Liability, assuming there is fear of loss, should be suitably provided for out of Profits, the amount so to be reserved depending on the merits of the case.

Had these Bills not been given to the Company, this item, £130 10s., being in respect of ordinary trade debts, if still unpaid, and eliminating any question of interest, would form part of the last item, Sundry Debtors, increasing it to £721, the two amounts added together.

The palpable object of this item is to show separately in the Balance Sheet the Debtors who have given such documents to the Company.

INVESTMENTS, £95 17s. 3d.

These are usually shown at cost price, in respect of which, however, any serious depreciation, not written off, as it should be, ought at least to be revealed.

The item, consisting of investments entirely outside the Company, is, in the present instance, intended to convey the meaning that £95 17s. 3d. out of the £100 Reserve, that appears on the Debit side, is thus represented.

CASH AT BANK, £388 16s. 6d.

CASH IN HAND, £24 0s. 10d.

These items speak for themselves. It may however be mentioned that a Bank balance on the Debit side would mean a loan or overdraft received from the Bankers and owing to them at date of Balance Sheet.

This concludes the explanation of the Credit side of the Balance Sheet, whereon appears a statement of what the Company has done with the Receipts shown on the Debit side—a statement of the Possessions that by virtue of those Receipts the Company has acquired,

and retained at date of Balance Sheet—Possessions that it holds as in trust for the persons, indicated on the Debit side, to whom the Receipts are attributed. And, as previously explained, should Losses have unfortunately occurred, they too appear, in case of Limited Companies, as an item on the Assets side of the Balance Sheet, representing a portion of the Receipts set forth on the Debit side that might have been used in acquiring Possessions but has been lost instead.

CHAPTER IV.

PROFIT AND LOSS, INCOME AND EXPENDITURE, AND RECEIPTS AND PAYMENTS ACCOUNTS.

THE Balance Sheet, being a concentration, or, to use an expressive term, a "boiling down" of the double-entry books, is thus a statement of the result, at a particular date, of the numerous changes that have taken place, since the concern's very commencement, in the different accounts contained in the books, and that are occasioned by the manifold transactions, large and small, involved in the carrying on of a business; and so, be it repeated, the Balance Sheet is an account of a concern's position at a given date, showing the Liabilities and the Assets.

The detailed statement entitled Profit and Loss Account is of a very different nature. In the specimen Balance Sheet we have

already met with the item, "Balance Profit for the year ending 31st December, 1918, £698 18s. 4d." This figure is the balance or net result of the detailed Profit and Loss Account for the year 1918, which account, were it before us, would be found to set forth the gross Profits on one side and the various Expenses on the other, the excess of the former over the latter being this £698 18s. 4d., the Balance for the year.

The Profit and Loss Account is therefore a statement showing in detail the Income, and the Expenditure chargeable against Income, of a concern for a definite period, usually one year.

Where the books are kept by double-entry, the Balance Sheet is a summary of all the Ledger Accounts, whilst the Profit and Loss Account is one of those Ledger Accounts.

Limited Companies, from motives of policy, in many cases do not publish a detailed Profit and Loss Account with the periodical Balance Sheet, and it has been thought unnecessary to supply a specimen herewith; moreover, the typical items need little or no explanation further than such as already has been given incidentally; suffice it to explain the

nature of the statement and the essential difference in principle between it and the Balance Sheet.

There should be mentioned that although in the Balance Sheet Receipts appear on the Debit side and Expenditure on the Credit, the reverse is the case with the Profit and Loss Account, as usually set forth, showing on the Debit side the Expenses and on the Credit side the gross Income. This method is now used, it may be presumed, as a matter of custom; but when a detailed Profit and Loss Account is submitted to those interested it would certainly be clearer, at the least, for the sides to be reversed so as to state Income on the Debit side and Expenditure on the Credit—a basis uniform with that of the Balance Sheet.

But in any case a perusal of an item or so will satisfy one as to which side shows Income and which shows Expenses, and the point is referred to solely with the object of guarding the novice against confusion on his finding a Profit and Loss Account accompanying the Balance Sheet but not on the same footing in the respect mentioned.

The Income and Expenses in Profit and Loss Account are not only those received and paid in actual cash; all Income earned during the period appears, whether received in cash or still owing to the Company; and all Expenses incurred during the period, that are a charge against Income, appear, whether paid in cash or still owing from the Company. This, needless to say, is the indispensable principle for accurately determining the Profit or Loss made during the period.

But in perusing a detailed Profit and Loss Account one may, if one so desires, consider the Expenses as having been paid, and the Income as having been received, in cash; they are all expressed in money, and the Account itself does not reveal what proportion has been in cash and what has not. The error must, however, be avoided of assuming that at the end of the period the concern necessarily has in cash the balance Profit, the result of Profit and Loss Account for that period. It is requisite to consult the Balance Sheet to see if there is a sufficient cash balance on the Credit side to represent the balance of Profits on the Debit; and even then it must be borne in mind

that ordinarily we are not entitled to assume any one item to be specially represented by any one item opposite, for, as previously stated, the items on the Debit side of a Balance Sheet are collectively represented by the items on the Credit.

The detailed Profit and Loss Account may be found shown in three parts—(1) The Trading Account, comprising Sales and Working Expenses; (2) the portion to which the balance of Trading Account is carried, here also appearing the Expenses of Management and any Income not strictly a Trading Profit; (3) this shows the balance of Part No. 2 brought down, together with items recording disposal of the Profit. Where such a method is followed it is merely for the sake of the greater information the analysis affords, and the final balance, of net Profit or Loss, is, of course, quite unaltered in the process.

Bearing in mind that the balance of Profit and Loss Account is in effect the result of deducting the total of the items on one side from that of the items on the other:—

The Profit and Loss Account may be found to state, on the Expenditure side, Stock

on Hand at commencement of period, and Purchases during period; and on the Income side, Sales during period, and Stock on Hand at end of period. It is puzzling for the novice to find Stock, an Asset, in an account that he is told contains Profit and Loss only. This, however, is only a mode of bringing in the gross Profit or Loss on Sales; for Stock at commencement added to Purchases of Stock during period, less Stock at end of period, leaves Stock used during period, whereof the figure (the exactitude of which, be it stated, is dependent on Stock-taking valuations) deducted from the amount of Sales, gives us the gross Profit on Sales. Of course, if the amount of Stock used be greater than that of the actual Sales, the latter deducted from the former would leave the gross Loss on Sales.

Should the reader find such particulars in a Profit and Loss Account he may be able to follow this explanation the more readily by tracing the items out on paper.

The Income and Expenditure Account is another periodical statement. It takes the place of Profit and Loss Account in case of Associations, Institutions, and the like, that

are carried on not for the purpose of paying dividends but with the object of paying their way in some non-trading pursuit. The difference between the Profit and Loss Account and the Income and Expenditure Account lies in the title, for both Accounts are composed of items of an Income nature, and of an Income nature only.

Another periodical statement is the Cash Account or Receipts and Payments Account. It is merely a summary of the Cash Book, and, unaccompanied by a Balance Sheet, is used in case of many Charitable Institutions and other organisations, where it is thought sufficient to show only the actual cash receipts and payments that have occurred during a period. This Account may be found to show Receipts on the Debit side and Payments on the Credit, but in any case there can be no difficulty in finding, by a glance at the items, which side is which.

To make now a comparison of the four statements upon which our attention has been directed :—

The Balance Sheet records transactions as to both Capital and Income.

The Profit and Loss Account records Income transactions only.

The Income and Expenditure Account records Income transactions only.

The Receipts and Payments Account records transactions as to both Capital and Income.

There is, however, the widest difference between a Balance Sheet and a Receipts and Payments Account; they are of entirely diverse natures, the former being a statement of the Liabilities and Assets at a given date, whilst the latter of the two shows merely the actual cash transactions during a given period, including, it may be, any that relate to Capital as well as those of an Income character, but without setting forth the position of the Liabilities and Assets. The purchase of an Asset would be shown in the Receipts and Payments Account for the period in which it was paid for, unless a separate Capital Account were submitted, but the Asset would not be carried forward and appear in succeeding Receipts and Payments Accounts as it would in consecutive Balance Sheets.

The fact is that the three statements, Profit and Loss Account, Income and Expenditure Account, and Receipts and Payments Account, are subsidiary to the Balance Sheet. As already stated, Profit and Loss Account and Income and Expenditure Account are different names applied to, in principle, the same statement.

The balance Profit, or Loss, appears as an item in the Balance Sheet, and the Profit and Loss Account shows the details by means of which that balance is arrived at.

The balance of Cash in Hand also appears in the Balance Sheet, and by summarising the contents for the year of the Cash Book so as to classify the items, we should arrive at a Receipts and Payments Account for such period, showing the details by means of which that balance is arrived at.

The aim having been to give the uninitiated a conception as to the essence of these subsidiary statements, our consideration of the subject may now be drawn to a close. To deal with the immense variety of items that occur in accounts were, needless to say, an interminable task. But after the reader has carefully considered the remarks upon the Balance

Sheet and typical items thereof, and formed a clear notion of the construction of the different subsidiary accounts referred to, he will find that the rest is a matter of reflection and perhaps a judicious inquiry. Regarding our subject in the main, the many debatable points, variations in form, and exceptions to be met with, render it a difficult one to generalise upon; a case is to be considered on its merits.

Some explanation may now be given of certain Balance Sheet items in addition to those already dealt with; it being deemed preferable to introduce them at the present stage, they were not included in the specimen Balance Sheet. Consideration of these items is entered upon in the next Chapter.

CHAPTER V.

EXPLANATION OF FURTHER BALANCE SHEET ITEMS.

PREMIUM ON SHARES.

THIS appears on the Debit side of the Balance Sheet. Supposing 10,000 Shares of the nominal value of £1 each in a Limited Company are issued to the public at £1 2s. per Share, each Shareholder is liable for £1 2s. in respect of every £1 Share allotted to him, the extra 2s. being the Premium. There is thus a Profit to the Company, but a Profit of the nature of Capital, an increase which, for a reason already mentioned, must not be added to the Capital in the Balance Sheet; it should be treated as a Reserve Fund for Capital purposes, and, from a politic view, not paid away in dividend.

SUSPENSE ACCOUNT.

An item in suspense may appear on Debit or Credit side, according to its nature. It records some transaction that has taken place

prior to the end of the period, but which then remains in abeyance, awaiting final treatment in due course.

GOODWILL.

This appears on the Credit side. It is the value attached to a business over and above the valuation of the tangible Assets, and is generally calculated on so many years' purchase of average Profits, the number of years depending on the circumstances.

Goodwill is thus an Asset whose value is bound up with the concern's welfare; and, being usually stated in the Balance Sheet on the basis of cost, its amount cannot be assumed as a criterion of its worth.

There are opposing views as to the propriety of writing off this item against the Profits over a number of years; to do so would mean paying for it eventually out of Income instead of out of Capital; and the much debated question of Secret Reserves may here be touched upon: where the value of an Asset is not fully stated in the Balance Sheet, the amount that is absent represents an undisclosed Reserve—the merits of other Assets being of course kept in due regard.

PRELIMINARY EXPENSES.

A credit item, paid for out of Capital. It is not really an Asset, consisting as it does of expenses incurred in bringing the Company into existence; still there would be unfairness in charging the whole amount against the first year's Profits, for these expenses are preliminary, and will not occur as an annual expenditure; they ought, however, to be written off against Profits over a reasonable term of years, showing in the Balance Sheet at a lower figure each year until the whole amount is written off, when the item disappears from the Balance Sheet, having thus been eventually paid for out of Profits.

UNEXPIRED INSURANCE.

This also appears on the Credit side. It is recorded in regard to Insurance premiums covering, part only of the year in which they are paid, and, to an appreciable degree, part of the next year as well. The portion attributable to the latter period is not chargeable against the Profits of the former year, at the end of which it is an Asset that should appear in the Balance Sheet, though it is of course a charge, when the time comes, against next year's Profits. In

fact this item amounts to treating the Insurance Company at date of Balance Sheet as a debtor to the concern for the unexpired portion of the premium; for next year the said Insurance Company will pay to the concern this debt, not in cash, it is true, but in an equivalent to cash, that is to say, in the benefit of Insurance.

Another credit item, involving the same principle, is Rates Unexpired, or some such title.

The ensuing have been dealt with here instead of at an earlier point, for the reason that as their form is not an accustomed one they were considered inappropriate for the specimen statement.

The form of Balance Sheet upon which the specimen is modelled is supplemented at the foot on the Debit side with these particulars:—

CONTINGENT LIABILITIES.

CLAIMS AGAINST THE COMPANY NOT
ACKNOWLEDGED AS DEBTS.
MONEYS FOR WHICH THE COMPANY IS
CONTINGENTLY LIABLE.

This would be by way of a foot-note, a supplement to the Balance Sheet, showing

how the position of affairs may be modified at some future date; such information might have its effect on a distribution of Profits and be valuable to possess. Ordinarily, however, if a Contingent Liability has arisen, it should be reserved for, the Reserve naturally forming part of the Balance Sheet, and so obviating the use of a foot-note.

Regarding "Claims against the Company not acknowledged as Debts," it of course does not follow there will be anything to pay; that remains to be seen, and is thus unascertained at date of Balance Sheet.

And so, too, in respect of "Moneys for which the Company is Contingently Liabie"; there being apprehended that some conditional event may take place after the date of the Balance Sheet and bring forth a liability.

CHAPTER VI.

THE BALANCE SHEET.—CONCLUDING REMARKS.

WHERE one figure is deducted from another in the inner column on either side of the Balance Sheet, and the result extended into the outer column, the one that is totalled, on the same side, an effect arithmetically equal is to be arrived at in all cases by a re-arrangement of the figures, removing the larger amount to the outer column, still on the same side, without any deduction, and the smaller figure to the outer column on the other side: the Balance Sheet would nevertheless balance, its totals being increased each by the same amount. It would be arithmetically correct in either way, though whether in either alternative a correct statement would be afforded or not is another matter, depending on the nature of the items themselves.

The experiment may be tried with items in the specimen Balance Sheet. For instance, Capital, £5250, which is of course a Debit, less Calls in Arrear, £50, which, being deducted from a Debit, is in principle a Credit, and the result extended into the outer column, £5200, a net Debit. Now strike out this last figure, £5200, and insert in its place the £5250; remove Calls in Arrear, £50, from the inner column on the Debit side to the outer column on the Credit side of the Balance Sheet, which will still balance, its totals being each augmented by the sum of £50; but the information it is desired to show in this instance is more clearly and properly conveyed by the particulars as they stand in the specimen Balance Sheet.

The reader will remember that this kind of thing has been referred to elsewhere in connection with Bad and Doubtful Debts, and Depreciation.

It is no doubt recognised that the converse process, that of deducting in the inner column a Debit from a Credit item, or *vice versa*, and extending the result into the outer column, will reduce the totals of the outer columns each

to the same extent, without, therefore, impairing the arithmetical correctness of the Balance Sheet.

Such crossings for one's personal information may sometimes be useful, but must be judiciously made lest they lead to confusion.

And now with regard to headings: in the form of Balance Sheet set out in connection with The Companies Act, 1862, the two sides were respectively headed, "Capital and Liabilities," and "Property and Assets." The Balance Sheets of some concerns will be found headed simply "Liabilities" on the one side, and "Assets" on the other. There are those who prefer the headings, "Capital, Liabilities, &c.," and "Property, Assets, &c.," of which the former emphasises the distinction between Capital and other debts, the "&c." being intended to cover items that might almost be styled "Nominal" Liabilities, as, similar to Capital, not in the ordinary course actually payable; whilst under the latter heading of the two are covered Property and other Assets, the "&c." in this case being meant to include any Losses, and any Nominal Assets, which, in fact, amount to the same thing as Losses, for there is no real value in them.

Preliminary Expenses is a Nominal Asset; Goodwill may be, depending on the circumstances—any Asset that has suffered a shrinkage in the value stated in the Balance Sheet, without Depreciation being suitably provided for, is partly a Nominal Asset: these instances will illustrate the meaning of the term.

The periodical Balance Sheet that has been examined by the Auditors, the Directors' Report, &c., that are, as a rule, printed, and sent to the Shareholders each year, should be carefully considered by those interested instead of receiving, as they often do, a mere hasty glance. It should be mentioned that Auditors are required for the Shareholders' information to make a Report on, but not necessarily printed with, the Balance Sheet. This Report is to be read at the General Meeting and a copy is obtainable by the individual Shareholder.

In conclusion, the writer trusts that a perusal of these pages will materially aid the generality of Shareholders in Limited Companies, as well as others; that it will enable and dispose them to take a more lively interest in the concerns with which their Capital—sometimes their all—has been entrusted.

Cr.

| CAPITAL, LIABILITIES, &c. | | | PROPERTY, ASSETS, &c. | | |
|--|----------|-------------|---|----------|-------------|
| CAPITAL— | £ s. d. | £ s. d. | | £ s. d. | £ s. d. |
| 10,000 Shares of £1 each, of which there have been issued 7000 Shares, 15s. paid | 5250 0 0 | | FREEHOLD LAND | | 1500 0 0 |
| Less Calls in Arrear | 50 0 0 | 5200 0 0 | FREEHOLD BUILDINGS— | | |
| | | | Per Balance Sheet at 31st December, 1917 | 3000 0 0 | |
| FORFEITED SHARES— | | 25 0 0 | Less Depreciation | 150 0 0 | 2850 0 0 |
| 100 Shares of £1 each | | | LEASEHOLD BUILDINGS— | | |
| FIRST MORTGAGE DEBENTURES— | | 4000 0 0 | Per Balance Sheet at 31st December, 1917 | 3600 0 0 | |
| 40, of £100 each, @ Four per cent. | | | Less Depreciation | 327 5 6 | 3272 14 6 |
| MORTGAGE— | | 1000 0 0 | PLANT AND MACHINERY— | | |
| @ Four and a half per cent. | | 682 4 6 | Per Balance Sheet at 31st December, 1917 | 1600 0 0 | |
| SUNDRY CREDITORS | | 150 0 0 | Less Depreciation | 112 0 0 | 1488 0 0 |
| BILLS PAYABLE | | 75 6 8 | STOCK ON HAND | | 1475 0 0 |
| DEBENTURE INTEREST UNPAID | | 65 17 II | SUNDRY DEBTORS | 640 10 0 | |
| WORKMEN'S WAGES UNPAID | | 9 8 4 | Less Debts considered Doubtful and Bad | 50 0 0 | 590 10 0 |
| UNCLAIMED DIVIDENDS | | 100 0 0 | | | 130 10 0 |
| RESERVE FUND | | | BILLS RECEIVABLE | | 95 17 3 |
| PROFIT AND LOSS ACCOUNT— | | | INVESTMENTS | | 388 16 6 |
| Balance at 31st December, 1917, as per last Balance Sheet | 298 6 8 | | CASH AT BANK | | 24 0 10 |
| Less Dividend @ Ten per cent. per annum for the half year ending 31st December, 1917, paid 21st February, 1918 | 244 16 8 | | CASH IN HAND | | |
| Add Balance Profit for the year ending 31st December, 1918 | 53 10 0 | | | | |
| | 698 18 4 | | | | |
| Less Dividend @ Ten per cent. per annum for the half year ending 30th June, 1918, paid 3rd August, 1918 | 752 8 4 | | | | |
| | 244 16 8 | 507 11 8 | | | |
| | | £11,815 9 1 | | | £11,815 9 1 |

INDEX.

- Account, books of, 14, 15, 17, 18, 74, 75, 82.
Actual value of Shares, 27, 28, 31.
Appreciation of Assets, 61, 62.
Assets, 9, 16, 18, 21, 23, 25, 35, 36, 43, 49, 50, 57,
61-73, 74, 81, 85, 86, 92.
See also "Possessions."
Cost price of, 61, 62, 63, 64, 65, 66, 68, 72, 85.
Fictitious or nominal, 91, 92.
Fixed (or Permanent), 62, 63.
Fixed, fluctuation in value of, 62, 63.
Floating (or Circulating), 63.
Value of, 25, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69,
72, 85, 92.
Wasting, 62, 66.
Associations not for monetary gain, 79.
Auditors, 92.
Bad and Doubtful Debts, 68, 69, 70.
Balance Sheet, Columns of, 8, 9, 16, 26, 60, 69, 70, 89,
90.
Credit side of, 8, 9, 16, 19, 20, 22, 23, 24, 25, 45,
48, 49, 57, 58, 60, 61-73, 76, 77, 84, 85, 86,
87, 90.
Credits represent debits, 22, 23, 43, 48, 49, 57, 58,
59, 60, 72, 77, 78.
Crossing or manipulating items in, 53, 54, 55, 56,
66, 70, 89, 90.
Debit side of, 8, 9, 16, 19, 20, 21, 22, 23, 24, 27-60,
61, 66, 67, 70, 72, 73, 76, 77, 78, 84, 87, 90.
Headings of, 19, 23, 91.
Key to the, 8, 9.
Nature of the, 8, 9, 11, 13, 14, 15, 16, 17, 18, 19,
20, 21, 22, 23, 25, 26, 61, 74, 75, 80, 81.

Balance Sheet (*continued*)—
 Preparation of, 15, 16, 17, 18.
 Prepared without a set of books, 15.
 Specimen, 92A.
 Totals, 23, 48, 69, 89, 90.
 Balance Sheets all alike in principle, 6, 25, 26.
 Bank, 16, 48, 53, 54, 56, 71, 72.
 Overdraft, 72.
 Bills discounted, 71.
 Payable, 38, 39.
 Receivable, 70, 71.
 Books of Account, 14, 15, 17, 18, 74, 75, 82.
 Buildings, Freehold, 63, 64.
 Leasehold, 64, 65, 66.
 Calls in Arrear, 28, 30, 31.
 On Shares, 28, 30, 31.
 Capital, 15, 16, 23, 24, 26, 27-32, 33, 49, 91.
 Decrease of, 17, 24, 25, 26.
 Expenditure recouped out of Profits, 51, 65, 85, 86.
 Increase of, 16, 17, 18, 23, 25, 26, 58, 84.
 A Liability, 19, 29, 30.
 Liabilities &c., 15, 19, 20, 27-60, 91.
 Loan, 37, 38.
 Profit of the nature of, 16, 17, 34, 58, 59, 84.
 Reserves arising from, 34, 58, 59, 84.
 The surplus of Assets over Liabilities to Creditors, 15.
 Capitalised or saved Profits, 16, 17, 23, 26, 51, 65, 85, 86.
 Cash Account, or Receipts and Payments Account, 80, 81, 82.
 At Bank, 16, 47, 48, 53, 71, 72, 77.
 In Hand, 16, 47, 48, 72, 77, 82.
 Charge by way of Mortgage, 34, 35, 36, 37, 38.
 Charitable Institutions, 80.
 Circulating Assets, 63.

Columns of Balance Sheet, 8, 9, 16, 26, 60, 69, 70, 89, 90.
 Companies, Limited, and increase or decrease of Capital, 23, 24, 25, 58, 84.
 Contingent Liabilities, 71, 87, 88.
 Cost price of Assets, 61, 62, 63, 64, 65, 66, 68, 72, 85.
 Credit side of Balance Sheet, 8, 9, 16, 19, 20, 22, 23, 24, 25, 45, 48, 49, 57, 58, 60, 61-73, 76, 77, 84, 85, 86, 87, 90.
 Creditors, 15, 16, 35, 36, 37, 38, 39, 43.
 Credits in Balance Sheet represent debits, 22, 23, 43, 48, 49, 57, 58, 59, 60, 72, 77, 78.
 Crossing or manipulating Balance Sheet items, 53, 54, 55, 56, 66, 70, 89, 90.
 Debenture Holders are Creditors, 35, 43.
 Interest, 34, 35, 39-43, 44, 47.
 Debentures, 34-37.
 Issue of, at a Discount, 35.
 Debit side of Balance Sheet, 8, 9, 16, 19, 20, 21, 22, 23, 24, 27-60, 61, 66, 67, 70, 72, 73, 76, 77, 78, 84, 87, 90.
 Debits in Balance Sheet, represented by credits, 22, 23, 43, 48, 49, 57, 58, 59, 60, 72, 77, 78.
 Debtors, 16, 68, 69, 70, 71, 87.
 Debts, Doubtful and Bad, 68, 69, 70.
 Decrease of Capital, 17, 24, 25, 26.
 Depreciation, 13, 62, 63, 64, 65, 66, 67, 68, 69, 70, 72, 92.
 Discounted Bills, 71.
 Dividends, 34, 46, 51, 52, 53, 54, 55, 56, 58, 84.
 Unclaimed, 52-56.
 Equivalent or money's worth, 8, 20, 21, 22, 29, 38, 47, 57, 60, 87.
 Expenses against Income (Profit and Loss Account), 18, 34, 42, 43, 47, 63, 64, 66, 67, 68, 69, 75, 76, 77, 78, 85, 86.

Expenses (*continued*)—
 Management, 78.
 Preliminary, 86, 92.
 Working, 78.

First Mortgage Debentures, 34-37.
 Fixed Assets, fluctuation in value of, 62, 63.
 Or permanent Assets, 62, 63.
 Floating or Circulating Assets, 63.
 Forfeited Shares, 31, 33, 34, 59.
 Freehold Buildings, 63, 64.
 Land, 61-63.
 Furniture &c., 12, 16.

General Meeting of Shareholders, 51, 92.
 Good Debts, 68, 69.
 Goodwill, 85, 92.

Headings, 19, 23, 91.
 Hiring, services involving principle of, 21, 22, 40, 41,
 43, 44, 50, 51.
 Household Furniture and Effects, 16.

Income, 17, 18, 58, 75, 76, 77, 78, 79, 80.
 See also "Profit and Loss Account," and
 "Profits."
 And Expenditure Account, 79, 80, 81.
 Capitalised or saved, 16, 17, 23, 26, 51, 65, 85, 86.
 Tax, 42, 52.

Increase of Capital, 16, 17, 18, 23, 25, 26, 58, 84.
 Individuality of concerns, 18, 20.
 Inner columns of Balance Sheet, 8, 9, 16, 26, 89, 90.
 Insurance unexpired, 86, 87.
 Interest, Debenture, 34, 35, 39-43, 44, 47.
 On Mortgage, 47.

Invested Reserves, 49, 57, 59, 65, 72.
 Investments, 16, 17, 49, 57, 59, 65, 72.
 Issued Share Capital, 28, 30, 31, 33, 84.

Key to the Balance Sheet, 8, 9.

Land, Freehold, 61-63.
 Leasehold, 62, 64.
 Leaseholds, 62, 64, 65.
 Ledger Accounts, 12, 13, 14, 74, 75.
 Liabilities, 8, 9, 15, 16, 19, 22, 27-60, 68, 74, 81, 91.
 Contingent, 71, 87, 88.
 Nominal, 30, 91.
 Peculiar nature of certain, 19, 29, 34, 36, 37, 49,
 50, 51, 58, 91.

Liability, origination of, 20, 21, 22.
 Limited Companies, and increase or decrease of Capital,
 23, 24, 25, 58, 84.
 Liquidation or Winding up, 29, 31, 32, 36, 37.
 Loan Capital, 37, 38.
 Loans, 34, 35, 36, 37, 38, 39, 40, 41, 72.
 Losses, 15, 17, 24, 25, 42, 43, 45, 57, 63, 67, 68, 69,
 73, 77, 78, 79, 82, 91, 92.

Machinery, 62, 66.
 Management Expenses, 78.
 Meeting of Shareholders, 51, 92.
 Money's worth or equivalent, 8, 20, 21, 22, 29, 38, 47,
 57, 60, 87.

Mortgage, 35, 36, 37.
 Debentures, 34-37.
 Debentures, issue of, at a discount, 35.
 Interest, 47.

Nominal and par value of Shares, 27, 28, 31, 84.
 Liabilities, 30, 91.
 Or fictitious Assets, 91, 92.

Outer columns of Balance Sheet, 8, 9, 16, 26, 60, 69,
 70, 89, 90.

Overdraft, Bank, 72.

Par and nominal value of Shares, 27, 28, 31, 84.
 Peculiar nature of certain Liabilities, 19, 29, 34, 36, 37, 49, 50, 51, 58, 91.
 Permanent Assets, 62, 63.
 Plant and Machinery, 62, 66.
 Possessions, 9, 23, 24, 35, 37, 60, 61-73.
 See "Assets" and "Property, Assets, &c."
 Preliminary Expenses, 86, 92.
 Premium on Shares, 28, 59, 84.
 Profit and Loss Account, 23, 24, 42, 43, 44-52, 54, 55, 56, 57, 67, 69, 74, 75, 76, 77, 78, 79, 80, 81, 82.
 See also "Income" and "Profits."
 On Credit side of Balance Sheet, 24, 25, 45.
 Profits (Income), 16, 17, 23, 24, 26, 34, 42, 44-52, 53, 55, 56, 57, 58, 65, 66, 67, 68, 69, 71, 74, 75, 76, 77, 78, 79, 80, 81, 82, 85, 86.
 And Goodwill, 85.
 Capitalised or saved, 16, 17, 23, 26, 51, 65, 85, 86.
 Eventually paying for Capital expenditure, 51, 65, 85, 86.
 Invested or used in the business, 47.
 Of Capital nature, 16, 17, 34, 58, 59, 84.
 Writing off Goodwill against, 85.
 Writing off Preliminary Expenses against, 86.
 Property, Assets &c., 16, 19, 21, 23, 61-73, 91, 92.
 See "Assets" and "Possessions."
 Purchases of Stock in Profit and Loss Account, 79.
 Rates unexpired, 87.
 Receipts and Payments Account, 80, 81, 82.
 In Balance Sheet, 8, 9, 20, 21, 22, 23, 24, 27-60, 72, 73, 76.
 In Profit and Loss Account, 75, 76, 77, 78.
 See also "Profit and Loss Account."

Repairs and Renewals, 64.
 Report, Auditor's, 92.
 Representation in Balance Sheet of debits by credits, 22, 23, 43, 48, 49, 57, 58, 59, 60, 72, 77, 78.
 Reserve Fund or Reserve, 49, 56-60, 65, 66, 70, 71, 72, 88.
 See "Reserves of Capital origin."
 Reserves invested, 49, 57, 59, 65, 72.
 Non-existent or fictitious, 59, 60, 65, 66, 70.
 Of Capital origin, 58, 59, 84.
 Undisclosed, 85.
 Revenue Account, 44.
 Sales in Profit and Loss Account, 78, 79.
 Secret Reserves, 85.
 Services involving principle of Hiring, 21, 22, 40, 41, 43, 44, 50, 51.
 Shareholders as partners in Limited Company, 29, 34.
 Meeting of, 51, 92.
 Shares, actual value of, 27, 28, 31.
 Calls on, 28, 30, 31.
 Different classes of, 32, 51.
 Forfeited, 31, 33, 34, 59.
 In Limited Company, 27-32, 34, 84.
 Issued, 28, 30, 31, 33, 84.
 Nominal and par value of, 27, 28, 31, 84.
 Premium on, 28, 59, 84.
 Unissued, 30, 31, 33.
 Sinking Fund, 65, 66.
 Specimen Balance Sheet, 92A.
 Stock (Capital), 32.
 In Profit and Loss Account, 78, 79.
 In Trade or on Hand, 32, 68.
 Used, 79.

Stock-taking, 68.
 Subsidiary Statements, 82, 83.
 Sundry Creditors, 38, 39.
 Debtors, 68, 69, 70, 71.
 Suspense Account, 84, 85.

 Totals of Balance Sheet, 23, 48, 69, 89, 90.
 Trading Account, 78.
 Twofold nature of all Transactions, 67, 69.

 Unclaimed Dividends, 52-56.
 Unexpired Insurance, 86, 87.
 Unissued Share Capital, 30, 31, 33.

 Value of Assets, 25, 60, 61, 62, 63, 64, 65, 66, 67, 68,
 69, 72, 85, 92.
 Value of Shares, actual, 27, 28, 31.
 Nominal and par, 27, 28, 31, 84.

 Wages, workmen's, 21, 22, 44.
 Wasting Assets, 62, 66.
 Wear and Tear, 13, 62.
 See "Depreciation."
 Winding up or Liquidation, 29, 31, 32, 36, 37.
 Working Expenses, 78.
 Writing off Goodwill, 85.
 Preliminary Expenses, 86.

Incorporation of Companies.

In the United Kingdom.

JORDAN & SONS, LIMITED, render assistance in all matters connected with the Formation, Management, and Winding Up of Companies. The large practical experience of the Directors enables them to be of service to Solicitors and others in the supervision, printing, and registration of Memorandums and Articles of Association, Agreements, Prospectuses, Reports, Debentures, Trust Deeds, &c.

All papers put into their hands for printing are attended to with the utmost care and expedition, and in conformity with the requirements of the Companies Acts and the Registrar of Joint Stock Companies.

Memorandums and Articles of Association and other Documents sent to JORDANS to be stamped and registered in England, Scotland, Ireland or elsewhere, receive immediate attention, and the Certificates of Incorporation are obtained and forwarded as soon as issued.

In British Dominions and Foreign Countries.

JORDAN & SONS, LIMITED, have Agents in all parts of the world and undertake the Incorporation of Companies in the Colonies and in Foreign Countries. They will be happy to furnish inclusive estimates of the costs.

In many Colonial and other Countries it is necessary for Companies incorporated in the United Kingdom to register certain particulars or obtain a Licence within a specified period from the date of commencing to carry on business in that country. JORDANS carry through such registrations or obtain the grant of Licences as may be required.

JORDAN & SONS, LIMITED,

Company Registration Agents, Printers, Publishers, and Stationers,

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

And 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

DRAFT FORMS

OF

Memorandums and Articles of Association.

These Forms have been settled by Mr. D. G. HEMMANT, Barrister-at-Law, and are revised by him at short intervals. They are used by Solicitors in all parts of the British Isles and the Colonies.

Form A.—Suitable for Public Companies generally.

It contains a comprehensive Memorandum of Association and a complete set of Special Articles entirely superseding Table A.

Price 3s. 6d.

Form B.—Suitable for small Public Companies.

It contains a comprehensive Memorandum of Association and a set of Articles for use where Table A is adopted with modifications, and includes the Clauses usually added or substituted. A copy of Table A accompanies this Form.

Price 2s. 6d.

Form C.—For use by large Private Companies.

In addition to a comprehensive Memorandum of Association it contains a complete set of Special Articles superseding Table A.

Price 3s. 6d.

Form D.—For use by small Private Companies.

In addition to a comprehensive Memorandum of Association it contains a set of Articles adopting Table A with modifications. A copy of Table A accompanies this Form.

Price 2s. 6d.

By post 5d. extra in each case.

These Forms are not intended for registration, but to be used as Drafts from which, after settlement, copies may be printed for signature by the Subscribers, and for supplying to Members in compliance with Section 18 of The Companies (Consolidation) Act, 1908.

The object of the Drafts is twofold: namely, to provide suitable precedents on which the Memorandum and Articles of any proposed Company may be based and to save the labour, delay, and risk of error which attend the writing out of the lengthy documents now so frequently adopted.

The Drafts are printed on one side of the paper only, in such form that alterations can be made to suit each particular case, and Explanatory Notes are added where necessary. A Table of Stamp Duties and Fees payable on Registration of Companies Limited by Shares accompanies each Form.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

DUTIES AND FEES

To be paid on

INCORPORATION OF COMPANIES

Having a Share Capital.

THE following Table indicates the Duties and Fees payable on Registration of PRIVATE COMPANIES having a Share Capital and governed by Special Articles of Association.

| NOMINAL SHARE CAPITAL. | Ad Valorem Duty on Statement of Capital. | Fee Stamp on Memorandum of Association. | TOTAL DUTY AND FEES. |
|------------------------------|--|---|-------------------------|
| £100 .. | £0 5 .. | £2 0 .. | £4 5 |
| 250 .. | 0 15 .. | 2 0 .. | 4 15 |
| 500 .. | 1 5 .. | 2 0 .. | 5 5 |
| 1,000 .. | 2 10 .. | 2 0 .. | 6 10 |
| 1,500 .. | 3 15 .. | 2 0 .. | 7 15 |
| 2,000 .. | 5 0 .. | 2 0 .. | 9 0 |
| 3,000 .. | 7 10 .. | 3 0 .. | 12 10 |
| 4,000 .. | 10 0 .. | 4 0 .. | 16 0 |
| 5,000 .. | 12 10 .. | 5 0 .. | 19 10 |
| 6,000 .. | 15 0 .. | 5 5 .. | 22 5 |
| 7,000 .. | 17 10 .. | 5 10 .. | 25 0 |
| 8,000 .. | 20 0 .. | 5 15 .. | 27 15 |
| 9,000 .. | 22 10 .. | 6 0 .. | 30 10 |
| 10,000 .. | 25 0 .. | 6 5 .. | 33 5 |
| 11,000 .. | 27 10 .. | 6 10 .. | 36 0 |
| 12,000 .. | 30 0 .. | 6 15 .. | 38 15 |
| 13,000 .. | 32 10 .. | 7 0 .. | 41 10 |
| 14,000 .. | 35 0 .. | 7 5 .. | 44 5 |
| 15,000 .. | 37 10 .. | 7 10 .. | 47 0 |
| 16,000 .. | 40 0 .. | 7 15 .. | 49 15 |
| 17,000 .. | 42 10 .. | 8 0 .. | 52 10 |
| 18,000 .. | 45 0 .. | 8 5 .. | 55 5 |
| 19,000 .. | 47 10 .. | 8 10 .. | 58 0 |
| 20,000 .. | 50 0 .. | 8 15 .. | 60 15 |
| 25,000 .. | 62 10 .. | 10 0 .. | 74 10 |
| 30,000 .. | 75 0 .. | 11 5 .. | 88 5 |
| 35,000 .. | 87 10 .. | 12 10 .. | 102 0 |
| 40,000 .. | 100 0 .. | 13 15 .. | 115 15 |
| 45,000 .. | 112 10 .. | 15 0 .. | 129 10 |
| 50,000 .. | 125 0 .. | 16 5 .. | 143 5 |
| 60,000 .. | 150 0 .. | 18 15 .. | 170 15 |
| 70,000 .. | 175 0 .. | 21 5 .. | 198 5 |
| 75,000 .. | 187 10 .. | 22 10 .. | 212 0 |
| 80,000 .. | 200 0 .. | 23 15 .. | 225 15 |
| 90,000 .. | 225 0 .. | 26 5 .. | 253 5 |
| 100,000 .. | 250 0 .. | 28 15 .. | 280 15 |
| 150,000 .. | 375 0 .. | 31 5 .. | 408 5 |
| 200,000 .. | 500 0 .. | 33 15 .. | 535 15 |
| 250,000 .. | 625 0 .. | 36 5 .. | 663 5 |

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

DUTIES AND FEES &c.—continued.

| NOMINAL SHARE CAPITAL. | Ad Valorem Duty on Statement of Capital. | Fee Stamp on Memorandum of Association. | TOTAL DUTY AND FEES. |
|------------------------------|--|---|-------------------------|
| £300,000 .. | £750 0 .. | £38 15 .. | £790 15 |
| 350,000 .. | 875 0 .. | 41 5 .. | 918 5 |
| 400,000 .. | 1,000 0 .. | 43 15 .. | 1,045 15 |
| 450,000 .. | 1,125 0 .. | 46 5 .. | 1,173 5 |
| 500,000 .. | 1,250 0 .. | 48 15 .. | 1,300 15 |
| 525,000 .. | 1,312 10 .. | 50 0 .. | 1,364 10 |
| 600,000 .. | 1,500 0 .. | 50 0 .. | 1,552 0 |
| 700,000 .. | 1,750 0 .. | 50 0 .. | 1,802 0 |
| 800,000 .. | 2,000 0 .. | 50 0 .. | 2,052 0 |
| 900,000 .. | 2,250 0 .. | 50 0 .. | 2,302 0 |
| 1,000,000 .. | 2,500 0 .. | 50 0 .. | 2,552 0 |

And so on at the rate of 5s. further Capital Duty for every additional £100 or fraction thereof. £50 is the maximum Fee Stamp imposed on the Memorandum of Association.

Public Companies.—In the case of PUBLIC COMPANIES certain additional documents must be filed, and the total fees payable may be increased by from 5s. to 30s. The further documents comprise

Forms 42, 42A, 43, Prospectus and Form 44 (where a Prospectus is issued), and

Forms 42, 42A, 43, 55, and 44A where a Statement in Lieu of Prospectus is filed.

LIQUIDATION OF COMPANIES.

London Costs of the Liquidation.

IN cases of Voluntary Liquidation JORDANS furnish inclusive estimates of the costs of the necessary London business of the Winding Up. Such estimates include supplying the Forms of Notices convening the various Meetings of Shareholders and Creditors, printing, stamping, and registering the Special or Extraordinary Resolution to Wind Up, filing Notice of Appointment of the Liquidator, advertising the Resolutions and Notices to Creditors in the official *Gazette* and other Newspapers, lodging the Liquidator's periodical Accounts, advertising the Notice calling the Final Meeting, registering the required Return intimating that the Meeting has been duly held, and printing and filing the Extraordinary Resolution as to the disposal of the books and accounts.

See also List of WINDING-UP FORMS, p. xix.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2

Searches and Office Copies.

JORDAN & SONS, Limited, give prompt attention to Instructions to obtain information, Office Copies, Certificates, &c., from the various Government Offices specified hereunder. Particular attention is paid to Instructions to search the Files of Companies at the Companies Registry for particulars of Debentures and other registered Charges, and the names and addresses of Directors and Shareholders and number of Shares held by them. Reports are furnished by return of post.

COMPANIES REGISTRY (for Certificates of Incorporation, Copies of Memorandums and Articles of Association, Summaries of Capital and Shares, Lists of Members, Agreements, Special and Extraordinary Resolutions, and Particulars as to Mortgages, Debentures, Limited Partnerships, &c.).

BILLS OF SALE REGISTRY (for Bills of Sale, Deeds of Gift, Deeds of Arrangement, and Trustees' Statutory Declarations, Certificates of Registration, &c.).

REGISTRY OF WILLS (for Copies of Wills &c.).

REGISTRY OF BIRTHS, MARRIAGES, AND DEATHS (for Certificates of those events).

LAND AND MIDDLESEX REGISTRIES (for Searches as to Incumbrances and Registration of Titles, Transfers, Charges, &c.).

BANKRUPTCY COURT (for Searches as to Dates of Petition and Discharge, Trustees, Dividends, &c.).

PATENT OFFICE (for Particulars of Inventions and Records of Assignments and Licences &c., and Copies of Specifications).

TRADE MARKS AND DESIGNS REGISTRIES (for Particulars of Registered Trade Marks and Designs).

HOME AND FOREIGN OFFICES (for Certificates of Naturalization and Passports).

ENROLMENT OFFICE (for Copies of Deeds Poll, Disentailing Assurances, and other Deeds).

FRIENDLY SOCIETIES REGISTRY (for information as to Friendly, Industrial, Provident, and Building Societies, and their Returns, Alterations of Rules, &c.).

BOARD OF TRADE (for Information as to Trustees' Accounts under Deeds of Arrangement, and Copies of Accounts).

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

Registration of Trade Marks and Designs.



JORDANS make applications for the registration of Trade Marks and Designs in the United Kingdom and in every Country where registration is granted. They also undertake Searches at the Trade Marks and Designs Registries in connection with new applications, and ascertain whether Trade Marks or Designs already in use are registered; the payment of Renewal Fees; and the registration of Assignments of Trade Marks and Designs.

SKETCHES.—Suggestions and Sketches for Trade Marks and Designs are submitted, and Photographs, Wood Blocks, and Electrotypes supplied. Particular attention is given to the conduct of Oppositions to the Registration of Trade Marks.

Letters Patent for Inventions

are obtained by JORDANS, who make searches for prior similar patented Inventions, and lodge Applications, Provisional and Complete Specifications, and Drawings. They also undertake the registration of Assignments, Mortgages, and Licences of Patents.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

LEGAL, COMPANY, AND COMMERCIAL PRINTING

JORDAN & SONS, LIMITED, have up-to-date Printing Works near their Head Offices, with modern machinery, a thoroughly competent Staff, and special facilities for the rapid and careful execution of—

MEMORANDUMS AND ARTICLES OF ASSOCIATION

Application Forms
Allotment Letters
Share Certificates
Stock Certificates
Debentures
Share Warrants
Prospectuses
Reports and Balance Sheets
Dividend Warrants
Interest Warrants
Notices of Meetings
Statutory Reports
Special and Extraordinary Resolutions
Trust Deeds
Provisional Orders
Petitions
Circulars

and Legal, Company, Parliamentary, and Commercial
Documents of all kinds.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

REGISTERS AND ACCOUNT BOOKS

FOR
LIMITED COMPANIES AND OTHER CORPORATE
BODIES.

JORDAN & SONS, LIMITED, have a large stock of all Registers and Account Books required by Companies and Corporations. They are made up in four dimensions:

"Quarto" (10½in. × 8½in.).
"Foolscap" (13in. × 9in.).
"Demy" (15½in. × 10½in.).
"Medium" (17½in. × 11½in.).



Books of the Stock Rulings of any size can be supplied within two or three days, and Account Books and Registers to meet special requirements are prepared and printed to order at short notice. Lettering in gilt with the name of the Company &c. at a small extra charge.

Estimates and Drafts of Rulings sent free on receipt of particulars.

[All Books and Forms conform to The Companies Acts, 1908 to 1917.]

| No. | Foolscap Size, unless otherwise stated. | Half Bound Red Basil Cloth Sides | Whole Bound Red Basil |
|-----|---|--|-----------------------------|
| 13 | Allotment Book (39 Folios) | 13/- | 23/- |
| 16 | Agenda Book (238 Pages) | 15/6 | 25/6 |
| 16A | Ditto | 9/6 | — |
| 17 | Ditto (478 Pages) | 26/6 | 36/6 |
| 19 | Minute Book (190 Pages and Index) | 15/6 | 25/6 |
| 19A | Ditto | 9/6 | — |
| 20 | Ditto (430 Pages and Index) | 26/6 | 36/6 |
| 22 | Directors' Minute Book (190 Pages and Index) | 15/6 | 25/6 |
| 22A | Ditto | 9/6 | — |
| 23 | Ditto (430 Pages and Index) | 26/6 | 36/6 |

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

| No. | REGISTERS AND ACCOUNT BOOKS—continued. | Half Bound Red Basil Cloth Sides | Whole Bound Red Basil |
|-----|--|--|-----------------------------|
| 25 | General Minute Book (190 Pages and Index) | 15/6 | 25/6 |
| 25A | Ditto | 9/6 | — |
| 26 | Ditto (430 Pages and Index) | 26/6 | 36/6 |
| 31 | Register of Members, Alphabetical (46 Folios) | 13/- | 23/- |
| 32 | Ditto Ditto (118 Folios) | 19/6 | 29/6 |
| 33 | Ditto Ditto (46 Folios), with Register of Transfers | 14/6 | 24/6 |
| 34 | Register of Members, Alphabetical (70 Folios), with Register of Transfers and Annual List and Summary for 7 years | 23/6 | 33/6 |
| 35 | Register of Members, Alphabetical (70 Folios), with Register of Transfers, Register of Directors, and Annual List and Summary for 7 years | 26/6 | 36/6 |
| 36 | Register of Members for Clubs, in accordance with the Licensing Act (500 Names) | 13/- | 23/- |
| 39 | Ditto Ditto (1000 Names) | 19/6 | 29/6 |
| 40 | Register of Transfers of Shares (39 Folios) | 13/- | 23/- |
| 43 | Register of Members and Share Ledger (78 Accounts) | 13/- | 23/- |
| 44 | Ditto (190 Accounts) | 22/- | 32/- |
| 45 | Ditto (430 Accounts) | 35/- | 45/- |
| 46 | Combined Register, comprising Applications and Allotments, Register of Members and Share Ledger, and Register of Transfers (166 Accounts) | 22/- | 32/- |
| 47 | Ditto Ditto (380 Accounts) | 36/- | 46/- |
| 52 | Combined Register, comprising Applications and Allotments, Register of Members and Share Ledger, Register of Transfers, Register of Directors, and Annual List and Summary for 7 years (10 Members) <i>Second quality</i> , 12/6 | 15/6 | 25/6 |
| 52A | Ditto (30 Members) <i>Second quality</i> , 15/- | 19/- | 29/- |
| 53 | Ditto Ditto (50 Members) | 22/- | 32/- |
| 54 | Ditto Ditto (100 Members) | 25/6 | 35/6 |
| 55 | Ditto Ditto (200 Members) | 37/6 | 47/6 |
| 69 | Combined Register, comprising Applications and Allotments, Register of Members and Share Ledger, Register of Transfers, Register of Debentures, Register of Mortgages and Bonds, Register of Directors, and Annual List and Summary (10 Members) <i>Second quality</i> , 13/6 | 17/- | 27/- |
| 70 | Ditto Ditto (30 Members) <i>Second quality</i> , 16/6 | 20/6 | 30/6 |
| 71 | Ditto Ditto (50 Members) <i>Second quality</i> , 21/- | 24/- | 34/- |
| 72 | Ditto Ditto (100 Members) | 32/- | 42/- |
| 73 | Ditto Ditto (200 Members) | 43/- | 53/- |

Other sizes made up to order to meet the requirements of Large or Small Companies.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

JORDAN & SONS, LIMITED,

| No. | REGISTERS AND ACCOUNT BOOKS—continued. | Half Bound Red Basil Cloth Sides | Whole Bound Red Basil |
|------|---|--|-----------------------------|
| 82 | Register of Members, for Guarantee Company (39 Folios) | 13/- | 23/- |
| 83 | Ditto Ditto (95 Folios) | 19/- | 29/- |
| 85 | Share Ledger (78 Accounts) | 13/- | 23/- |
| 86 | Ditto (190 Accounts) | 22/- | 32/- |
| 87 | Ditto (430 Accounts) | 35/- | 45/- |
| 88 | Annual List and Summary (80 Names—10 Returns) Demy | 23/6 | 33/6 |
| 88A | Ditto (30 Names—10 Returns) F ^{cap} | 13/- | 23/- |
| 89 | Ditto (120 Names—10 Returns) Demy | 30/- | 40/- |
| 89A | Ditto (60 Names—10 Returns) F ^{cap} | 15/- | 25/- |
| 90 | Ditto (160 Names—10 Returns) Demy | 35/- | 45/- |
| 90A | Ditto (120 Names—10 Returns) F ^{cap} | 18/6 | 28/6 |
| 91 | Ditto (200 Names—10 Returns) Demy | 41/6 | 51/6 |
| 91A | Ditto (180 Names—10 Returns) F ^{cap} | 23/6 | 33/6 |
| 106 | Shareholders' Address Book | 13/- | 23/- |
| 107 | Ditto (Alphabetical) | 15/- | 25/- |
| 112 | Register of Returns of Allotments | 12/- | 22/- |
| 112A | Ditto Cloth, 9/6 | — | — |
| 115 | Register of Directors or Managers | 12/- | 22/- |
| 115A | Ditto Cloth, 9/6 | — | — |
| 118A | Directors' Attendance Book Quarto, Limp Roan, 9/6 | — | — |
| 118B | Ditto Octavo, ditto 6/6 | — | — |
| 118C | Committee Attendance Book Octavo, ditto 6/6 | — | — |
| 121 | Register of Debentures | 13/- | 23/- |
| 121A | Ditto Cloth, 9/6 | — | — |
| 122 | Register of Debenture Holders (with Interest Account at foot of each page) | 15/- | 25/- |
| 123 | Register of Debentures, with Register of Transfers | 15/- | 25/- |
| 124 | Register of Transfers of Debentures | 13/- | 23/- |
| 125 | Register of Debenture Holders (78 Accounts) | 13/- | 23/- |
| 126 | Ditto (with Register of Transfers of Debentures) | 15/- | 25/- |
| 127 | Register of Debenture Stock Holders (78 Accounts) | 13/- | 23/- |
| 128 | Ditto (with Register of Transfers) | 15/- | 25/- |
| 129 | Register of Transfers of Debenture Stock | 13/- | 23/- |
| 148 | Register of Mortgages and Bonds | 13/- | 23/- |
| 148A | Ditto Cloth 9/6 | — | — |
| 151 | Dividend Account Book | 13/- | 23/- |
| 152 | Debenture Interest Account Book | 13/- | 23/- |
| 153 | Debenture Stock Interest Account Book | 13/- | 23/- |
| 160 | Register of Calls | 13/- | 23/- |
| 163 | Register of Seals | 13/- | 23/- |
| 166 | Register of Documents | 13/- | 23/- |

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

JORDAN & SONS, LIMITED,

| No. | REGISTERS AND ACCOUNT BOOKS—continued. | Half Bound Red Basil Cloth Sides | Whole Bound Red Basil |
|-----|--|--|-----------------------------|
| 169 | Guard Book, for Transfers, Proxies, &c. | To order | — |
| 170 | Ditto Demy | only | — |
| 172 | Register of Letters Received Cloth, 9/6 | — | — |
| 173 | Register of Letters Dispatched Cloth, 9/6 | — | — |
| 178 | Transfer Certificate Book | 13/- | 23/- |
| 184 | Register of Receipts and Payments | 13/- | 23/- |
| 187 | Visitors' Book (for Clubs) | 15/- | 25/- |
| 190 | Register of Probates | 13/- | 23/- |
| 192 | Register of Guests (375 Entries) for Hotels, Boarding Houses, &c. Cloth Bound, 7/- | 10/- | — |
| 193 | Register of Investments F ^{cap} Quarto | 10/- | — |
| 196 | Petty Cash Book (special ruling) F ^{cap} Oblong | 13/- | — |
| 200 | Cash Book (119 Folios) | 16/6 | 26/6 |
| 201 | Ditto (238 Folios) | 27/6 | 37/6 |
| 210 | Journal (238 Pages) | 16/6 | 26/6 |
| 211 | Ditto (476 Pages) | 27/6 | 37/6 |
| 220 | Ledger, Single (95 Folios and Index) | 16/6 | 26/6 |
| 221 | Ditto (215 Folios and Index) | 27/6 | 37/6 |
| 226 | Ledger, Double (190 Pages and Index) | 16/6 | 26/6 |
| 227 | Ditto (430 Pages and Index) | 27/6 | 37/6 |
| 230 | Investors' Account Book, comprising Cash Book, Investment Ledger and Register of Dividends, General Ledger, Annual Summary of Investments, Memoranda, Address Book and Index | | |
| | Size No. 1 (Size of page 15" x 11") | 25/- | — |
| 232 | Ditto Ditto Size No. 2 (Size of page 15" x 11") | 37/6 | — |
| 234 | Ditto Ditto Size No. 3 (Size of page 9½" x 7½") | 16/- | — |

Nos. 230 and 233 are suitable for general use, but No. 234 is a smaller book prepared for those who have but few investments. A special descriptive Prospectus will be sent upon application.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

Share Certificates

Specially Printed from Copperplate on Hand-made "Loan" paper from engraved plates designed to meet the taste of the Company. Book of 100 from £4 5s.

Printed from Letterpress in superior style on Hand-made "Loan" paper. Book of 25 from 23s.; 50 from 26s. 6d.; 100 from 33s.

Specimens and Estimates submitted by return of post. When asking for Specimens customers are requested to state the Nominal Capital of the Company, the classes into which it is divided, and the number of Certificates required in each class.

BLANK SHARE CERTIFICATES

FOR SMALL COMPANIES.

(SINGLE FORMS.)

A superior Blank Form of Share Certificate for Name of Company to be written in; printed from copperplate.

- 524. For fully paid Shares.
- 525. For partly paid Shares.
- 526. For fully paid Ordinary Shares.
- 527. For partly paid Ordinary Shares.
- 528. For fully paid Preference Shares.
- 529. For partly paid Preference Shares.

2d. each, 1s. 9d. dozen.

(BOUND FORMS.)

The above varieties of superior Blank Share Certificates, bound in books of 25, 4s. 6d.; 50, 8s. 6d.; 100, 12s. 6d.

- 524A. For fully paid Shares.
- 525A. For partly paid Shares.
- 526A. For fully paid Ordinary Shares.
- 527A. For partly paid Ordinary Shares.
- 528A. For fully paid Preference Shares.
- 529A. For partly paid Preference Shares.

If desired blank Certificates can be supplied with the name of the Company specially printed. Price per book of 25, 13s. 6d.; 50, 19s. 6d.; 100, 25s. 6d.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

SEALS

For Companies, Corporations, and Notaries.

JORDAN & SONS, LIMITED, are noted for the high quality of and artistic taste displayed in the Seals designed and engraved by them.

They have exceptional facilities for the rapid execution of orders in this Department, and can supply Seals, where necessary, at exceedingly short notice.



116 & 117 CHANCERY LANE, LONDON, W.C. 2.
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

**COMMON SEAL**

Engraved and Fitted
to Lever Press
similar to this

From **£1 10s.**

Second Quality Press
From **£1 5s.**

COMMON SEAL

Engraved and Fitted to
Lever Press

similar to this,
From **£2 7s. 6d.**

**EXTRA DEEP PATTERN PRESS**

allowing
SIX INCHES
space from centre of die
to the
back of Press.

Seals Engraved and
Fitted to this Press
From **£3 2s. 6d.**

NOTE.—Prices subject
to market fluctuations.
Carriage extra.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

Japanned Cases for Seals.

THESE Cases are for the purpose of securing the Seals of Companies and Corporations from use by unauthorised persons, to keep the Seals free from dust, and to enable them to be easily carried from place to place. They are fitted with two good four-lever locks, with duplicate keys to each, and are stocked in various sizes. Cases of special dimensions can be supplied in a few days.

| SIZES OF STOCK SEAL CASES | No. 1 | No. 2 | No. 2A | No. 3 | No. 4 | Length. | Width. | Depth. | s. | d. | |
|---------------------------|-------|-------|--------|-------|-------|---------|--------|--------|----|----|---|
| | ... | ... | ... | ... | ... | 8½ in. | 3½ in. | 4½ in. | 22 | 6 | 6 |
| | ... | ... | ... | ... | ... | 10 in. | 4 in. | 5 in. | 26 | 6 | 6 |
| | ... | ... | ... | ... | ... | 10 in. | 4 in. | 8 in. | 28 | 6 | 6 |
| | ... | ... | ... | ... | ... | 12 in. | 4½ in. | 6 in. | 32 | 6 | 6 |
| | ... | ... | ... | ... | ... | 13 in. | 5½ in. | 7½ in. | 37 | 6 | 6 |

All
Inside
Measurements.

Engraved Brass Plates.

SIZES AND PRICES.
Carriage extra.



| Size of Plate. | | Engraved with Two Lines. | | Extra per Line. | | Wood Block. | |
|----------------|------|--------------------------|----|-----------------|----|-------------|----|
| in. | in. | s. | d. | s. | d. | s. | d. |
| 8 | × 5 | 15 | 0 | 3 | 0 | 3 | 0 |
| 10 | × 6 | 18 | 0 | 3 | 6 | 3 | 9 |
| 12 | × 6 | 20 | 0 | 3 | 9 | 4 | 3 |
| 12½ | × 8 | 25 | 0 | 4 | 6 | 5 | 0 |
| 15 | × 9 | 27 | 0 | 5 | 0 | 6 | 3 |
| 16 | × 10 | 34 | 0 | 5 | 6 | 7 | 9 |
| 20 | × 12 | 40 | 0 | 7 | 0 | 9 | 0 |

Above prices (which are subject to market fluctuations) are for Flat Plates only, for fixing on door, railings, or front of brick or stone house.
When ordering please state whether Wood Block or other special Fitting desired.
Estimates and Sketches for other sizes and for Curved Plates submitted.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

DEED BOXES WITH LIFT-UP LIDS.



| Length. | Width. | Depth. | Four-Lever Lock. | | Length. | Width. | Depth. | Four-Lever Lock. | |
|-----------|----------------|---------|------------------|----|-----------|---------------|---------|------------------|----|
| | | | s. | d. | | | | s. | d. |
| No. 0 ... | 12in. x 8in. | x 6½in. | 11 | 6 | No. 5 ... | 20in. x 14in. | x 12in. | 33 | 6 |
| No. 1 ... | 13in. x 9in. | x 8in. | 15 | 6 | No. 6 ... | 23in. x 16in. | x 14in. | 43 | 6 |
| No. 2 ... | 14in. x 10in. | x 9in. | 19 | 6 | No. 7 ... | 26in. x 18in. | x 16in. | 54 | 0 |
| No. 3 ... | 16in. x 11½in. | x 10in. | 24 | 0 | No. 8 ... | 28in. x 20in. | x 17in. | 65 | 6 |
| No. 4 ... | 18in. x 13in. | x 11in. | 28 | 6 | | | | | |

DEED BOXES WITH FALL FRONTS.



| Length. | Depth. | Height. | Four-Lever Lock. | | Length. | Depth. | Height. | Four-Lever Lock. | |
|------------|---------------|----------|------------------|----|-----------|----------------|----------|------------------|----|
| | | | s. | d. | | | | s. | d. |
| No. 3 ... | 16in. x 14in. | x 11in. | 25 | 0 | No. 6 ... | 23in. x 15½in. | x 14in. | 43 | 6 |
| No. 4 ... | 18in. x 14in. | x 11½in. | 31 | 6 | No. 7 ... | 26½in. x 18in. | x 15½in. | 54 | 0 |
| No. 5 ... | 20in. x 14in. | x 12½in. | 36 | 6 | No. 8 ... | 28½in. x 21in. | x 17in. | 65 | 6 |
| No. 5a ... | 20in. x 14in. | x 14in. | 36 | 6 | | | | | |

Above Prices subject to market fluctuations.
A separate Price List of Deed Boxes &c. fully illustrated, post free.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

COMPLETE LIST OF COMPANY FORMS

Under The Companies Acts, 1908 to 1917.

Printed and Published by
JORDAN & SONS, LIMITED.

REQUIRED ON INCORPORATION.

1. Memorandum of Association of Company Limited by Shares. (Blank skeleton Form.) 2d. each.
See also details of Draft Forms of Memorandum and Articles on page ii.
4. Notice of Situation of Registered Office. 2d. each.
(Any subsequent change should be notified on Form No. 5.)
9. Copy of Register of Directors or Managers. 2d. each.
- 9a. Particulars respecting Directors. 2d. each.
14. Notice of Consent to take Name of Existing Company. 2d. each.
25. Statement of Nominal Capital. 2d. each.
41. Declaration of Compliance with The Companies (Consolidation) Act, 1908, in respect of matters precedent and incidental to Registration. 2d. each.
42. Consent to Act as Director. (For Public Companies only.) 2d. each.
- 42a. Contract by Director to Take and Pay for Qualification Shares 2d. each.
43. List of Persons who have Consented to be Directors. (For Public Companies only.) 2d. each.
59. Declaration by Solicitor pursuant to The Trading with the Enemy Amendment Act, 1914. 2d. each.
500. Table A of The Companies (Consolidation) Act, 1908, foolscap size. 9d. each.
518. Notice of Board Meeting (octavo). 1d. each.

REQUIRED BEFORE COMMENCING BUSINESS.

44. Declaration of Compliance by Company issuing Prospectus. 2d. each.
- 44a. Declaration of Compliance by Company filing Statement in Lieu of Prospectus. 2d. each.
55. Statement in Lieu of Prospectus. 3d. each.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

REQUIRED ON APPLICATION AND ALLOTMENT AND FOR CALLS ON SHARES.

45. Return of Allotments—front sheets. 2d. each.
- 45a. " " " —continuation sheets. 1d. each.
52. Particulars of Contract (when Shares allotted otherwise than for Cash and there is no Agreement in writing). 2d. each.
58. Statement as to Commission in respect of Shares. 2d. each.
502. Application for Shares with Receipt attached. 1d. each; 9d. dozen.
503. Letter of Allotment of Shares, with Receipt attached. 2d. each.
504. Letter of Allotment of Shares, with Receipt attached, and impressed with 1d. stamp (when the nominal value of the Shares allotted is under £5). 3d. each.
505. Letter of Allotment of Shares, with Receipt attached, and impressed with 6d. stamp (when the nominal value of the Shares allotted is £5 or more). 8d. each.
506. Notice of Call on Shares, with Receipt. 2d. each.
507. Notice of Instalment due on Shares, with Receipt. 1d. each; 9d. dozen.
508. Letter of Regret that no Allotment can be made, with Warrant attached returning Deposit. 2d. each.

REQUIRED IN CONNECTION WITH DEBENTURES.

- A. Draft Form of Trust Deed for securing an issue of Debentures—FORM A. 5s. each; postage 5d. extra.
- B. Draft Form of Trust Deed for securing an issue of Debenture Stock—FORM B. 5s. each; postage 5d. extra.
47. Particulars for registration of Mortgage or Charge. 2d. each.
- 47a. Particulars for registration of a series of Debentures. 2d. each.
48. Particulars for registration of a further issue of Debentures in a Registered Series. 2d. each.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

49. Memorandum of Satisfaction of Mortgage or Charge. 2d. each.
511. Letter of Allotment of Debentures, impressed with 6d. Stamp, with Receipt. 8d. each.
512. Letter of Allotment of Debenture Stock, impressed with 6d. Stamp, with Receipt. 8d. each.
520. Debenture (Blank Form for Name of Company to be written in). 6d. each.
521. Application for Debentures, with Receipt attached. 1d. each.
522. Application for Debenture Stock. 1d. each.
533. Transfer of Debentures. 1d. each.

ANNUAL RETURN OF CAPITAL AND MEMBERS.

- 6a1. Annual Return of Capital and Members (Form E) for Public Company; front sheet and one continuation sheet. 3d. each.
- 6a. Annual Return of Capital and Members (Form E) for Private Company; no continuation sheet. 2d. each.
- 6b. Certificate pursuant to Sub-Section 3 of Section 1 of The Companies Act, 1913. 1d. each.
- 8a. List of Members; continuation sheet for Form E. 1d. each.

N.B.—Forms 6a and 8a are also supplied at the same price on thin paper to admit of a duplicate carbon copy being taken.

WINDING-UP FORMS.

- 4w. Petition for Winding Up. 2d. each.
- 9w. Affidavit Verifying Petition. 2d. each.
15. Return of Final Winding-up Meeting. 2d. each.
- 39a. Notice of Appointment of Liquidator. 2d. each.
- 43w. Notice to Settle List of Contributories. 2d. each.
- 45w. Certificate of Final Settlement of List of Contributories. 2d. each.
- 45x. First Schedule to Certificate 45w. First Part. 2d. each.
- 45y. Ditto. Second Part. 2d. each.
- 45z. Second Schedule to Certificate 45w. 2d. each.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

| | |
|---|-----------|
| 47w. Supplemental List of Contributories. | 2d. each. |
| 48w. Affidavit of Service of Notice on Contributories. | 2d. each. |
| 53w. Notice of Call to be sent to Contributories. | 2d. each. |
| 63. Proof of Debt, General Form. | 2d. each. |
| 92. Liquidator's Statement of Receipts and Payments—front sheets. | 2d. each. |
| 92a. Ditto—continuation sheets. | 2d. each. |
| 93. Affidavit Verifying Liquidator's Statement of Account. | 2d. each. |
| 94. Liquidator's Trading Account—front sheets. | 2d. each. |
| 94a. Ditto—continuation sheets. | 2d. each. |
| 95. List of Dividends or Composition—front sheets. | 2d. each. |
| 95a. Ditto—continuation sheets. | 2d. each. |
| 96. List of Amounts Paid or Payable to Contributories—front sheets. | 2d. each. |
| 96a. Ditto—continuation sheets. | 2d. each. |
| 113. Extraordinary Resolution to Wind Up. | 2d. each. |
| 114. Notice to Creditors pursuant to Section 188 of The Companies (Consolidation) Act, 1908 (quarto). | 1d. each. |
| 115. Ditto. In form for <i>London Gazette</i> . | 2d. each. |
| 116. Notice to Creditors to send in Particulars of Debts or Claims. | 2d. each. |
| 117. Notice of Final Winding-up Meeting (to Shareholders) (quarto). | 1d. each. |
| 118. Notice of Final Winding-up Meeting (for <i>London Gazette</i>). | 2d. each. |

FORMS FOR USE OF COMPANIES INCORPORATED OUTSIDE THE UNITED KINGDOM

AND HAVING A PLACE OF BUSINESS IN THE UNITED KINGDOM

| | |
|---|-----------|
| 1f. List of Documents Presented for Filing. | 2d. each. |
| 2f. Return of List of Directors. | 2d. each. |

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

| | |
|--|-----------|
| 3f. Return of Names and Addresses of Persons in the United Kingdom Authorised to Accept Service. | 2d. each. |
| 4f. Notice of Alteration in Instrument Constituting Company. | 2d. each. |
| 5f. Notice of Alteration in List of Directors. | 2d. each. |
| 6f. Notice of Alteration in Names or Addresses of Persons Authorised to Accept Service. | 2d. each. |
| 7f. Statement of Affairs. | 2d. each. |

MISCELLANEOUS COMPANY FORMS.

| | |
|---|-----------|
| 5. Notice of Change of Registered Office. | 2d. each. |
| 10. Notice of Increase of Capital. | 2d. each. |
| 11. Notice of Increase in Number of Members—Company Limited by Guarantee. | 2d. each. |
| 16. Special Resolution, draft form. | 2d. each. |
| 16a. Extraordinary Resolution, draft form. | 2d. each. |
| 26. Statement of Increase of Capital. | 2d. each. |
| 28. Notice of Consolidation, Division, or Conversion of Shares into Stock, or of the Reconversion of Stock into Shares. | 2d. each. |
| 46. Report Prior to Statutory Meeting. | 2d. each. |
| 53. Notice as to Appointment of Receiver or Manager. | 2d. each. |
| 57. Receiver's or Manager's Abstract of Receipts and Payments. | 2d. each. |
| 57b. Ditto. Continuation sheets. | 2d. each. |
| 57a. Notice on Ceasing to Act as Receiver or Manager. | 2d. each. |
| 50f. Statement of Account showing Apportionment of Consideration under Agreement for Sale (for use when Agreements are submitted for Adjudication). | 3d. each. |
| 50g. Certificate of Registration of Transfer of Shares in Books of Company. | 2d. each. |
| 513. Balance Receipt. | 2d. each. |
| 514. Transfer of Shares. | 1d. each. |

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

515. Transfer Receipt. 2d. each.
 516. Indemnity in respect of Lost or Destroyed Share Certificate. 2d. each.
 517. Notice of Dividend, free of tax 2d. each.
 517-1 Ditto, less tax 2d. each.
 519. Notice of Statutory General Meeting. 1d. each.
 523. Model Balance Sheet in accordance with Table A. 2d. each.
 530. Notice of Ordinary General Meeting. 1d. each.
 531. Proxy Form, for adhesive stamp. 1d. each.
 532. Proxy Form, impressed with 1d. stamp. 2d. each.

BOUND COMPANY FORMS.

- 504a. Letters of Allotment of Shares, with Receipts, perforated and numbered, impressed with 1d. Stamps, bound in books of 25, 6s. 6d.; 50, 12s. 6d.; 100, 21s.
 505a Ditto. Impressed with 6d. stamps, bound in books of 25, 17s.; 50, 33s. 6d.; 100, 62s. 6d.
 506a. Notices of Calls on Shares, with Receipts, perforated and numbered, bound in books of 25, 4s. 6d.; 50, 8s. 6d.; 100, 12s. 6d.
 509a. Certificates of Registration of Transfers of Shares in Books of Company, perforated and numbered, bound in books of 25, 4s. 6d.; 50, 8s. 6d.; 100, 12s. 6d.
 511a. Letters of Allotment of Debentures, with Receipts, perforated and numbered, impressed with 6d. stamps, bound in books of 25, 17s.; 50, 33s. 6d.; 100, 62s. 6d.
 512a. Letters of Allotment of Debenture Stock, perforated and numbered, impressed with 6d. stamps, bound in books of 25, 17s.; 50, 33s. 6d.; 100, 62s. 6d.
 513a. Balance Receipts (duplicate form), perforated and numbered, bound in books of 25, 4s. 6d.; 50, 8s. 6d.; 100, 12s. 6d.
 515. Transfer Receipts (duplicate form), perforated and numbered, bound in books of 25, 4s. 6d.; 50, 8s. 6d.; 100, 12s. 6d.
 517a. Notices of Dividend, free of tax, perforated and numbered, bound in books of 25, 4s. 6d.; 50, 8s. 6d.; 100, 12s. 6d.
 517b. Ditto, less tax, perforated and numbered, bound in books of 25, 4s. 6d.; 50, 8s. 6d.; 100, 12s. 6d.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
 AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

GENERAL LEGAL FORMS.

BILLS OF SALE.

- BS 1. Bill of Sale, Absolute. 6d. each; 5s. dozen.
 BS 2. Affidavit to accompany Absolute Bill of Sale. 2d. each; 1s. dozen.
 BS 3. Bill of Sale, Conditional. 6d. each; 5s. dozen.
 BS 4. Affidavit to accompany Conditional Bill of Sale. 2d. each; 1s. 6d. dozen.

DEEDS OF ARRANGEMENT AND ASSIGNMENT.

- Assignment for Benefit of Creditors—FORM A (General Form). 6d. each; 5s. dozen.
 Assignment for Benefit of Creditors—FORM B (General Form, not including Leaseholds). 6d. each; 5s. dozen.
 DA 2. Assent of Creditor to Deed. 2d. each; 1s. 6d. dozen.
 DA 3. Statutory Declaration by Trustee as to Assents of Creditors. 2d. each; 1s. 6d. dozen.
 DA 3a. Notice of Meeting of Creditors to consider dispensing with Security by Trustee. 2d. each; 1s. 6d. dozen.
 DA 3b. Notice by Creditor that Security has been dispensed with. 2d. each; 1s. 6d. dozen.
 DA 4. Affidavit of Execution by Debtor. 2d. each; 1s. 6d. dozen.
 DA 6. Debtor's Affidavit. 4d. each; 3s. dozen.
 DA 8. Statutory Declaration by Trustees that Creditors have Dispensed with his giving Security. 2d. each; 1s. 6d. dozen.
 DA 9. Prescribed Bond as to Security to be given by Trustee. 6d. each; 5s. dozen.
 DA 10. Cover Note for Security. 2d. each; 1s. 6d. dozen.
 DA 11. Certificate by County Court Registrar that Security is given by Trustee. 2d. each; 1s. 6d. dozen.
 12. Order Declaring Deed void or appointing New Trustee. 2d. each; 1s. 6d. dozen.
 DA 13. Statement to Creditors to be sent to each Creditor every six months. 4d. each; 3s. dozen.
 DA 14. Notice to Creditors of Deed of Arrangement. 2d. each; 1s. 6d. dozen.
 DA 16. Trustee's Account of Receipts and Payments. 4d. each; 3s. dozen.
 DA 16a. Ditto. Continuation sheets. 4d. each; 3s. dozen.
 DA 17. Affidavit verifying Trustee's Account (where Deed executed before 1st April, 1914). 2d. each; 1s. 6d. dozen.
 DA 18. Affidavit verifying Trustee's Account (where Deed executed on and after 1st April, 1914). 2d. each; 1s. 6d. dozen.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
 AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

- DA 19. Trustee's Trading Account. 4d. each; 3s. dozen.
 DA 19a. Ditto. Continuation sheets. 4d. each; 3s. dozen.
 DA 20. List of Dividends or Compositions. 4d. each; 3s. dozen.
 DA 20a. Ditto. Continuation sheets. 4d. each; 3s. dozen.
 DA 21. Affidavit verifying Trustees Final Account. 2d. each; 1s. 6d. dozen.

NATURALIZATION.

FORMS UNDER THE BRITISH NATIONALITY AND STATUS OF ALIENS ACT, 1914.

- Set A: For use in normal cases, complete with full instructions, and comprising 9 documents, 2s. 6d.; post free.
 Set B: For use of British-born Married Woman seeking Readmission to British Nationality, complete with full instructions, and comprising 7 documents, 1s. 6d.; post free.

WILL FORMS.

6d. each; 5s. dozen.

- W 1. Where property is left to one person absolutely.
 W 1a. Where property is left to two or more persons absolutely.
 W 1b. Where residue of property, after specific bequests, is given to one person absolutely.
 W 2. Where, after specific legacies, property is left on trust for sale and the proceeds paid to legatees in shares.
 W 3. Where, after specific legacies, the residue is left in trust to widow for life, with remainder to children in equal shares.
 W 4. Where, after specific legacies, property is left to widow for life, and after her death to children absolutely, the widow having use of leasehold house for life.
 W 5. By married woman, with exercise of power of appointment under settlement &c.

Each of the above Forms of Will is accompanied by clear instructions as to preparation and execution.

PROBATE FORMS.

AFFIDAVITS.

- P 1. Alterations in Will or Codicil verified by Attesting Witness. 2d. each; 1s. 6d. dozen.
 P 2. Alterations in Will or Codicil verified by Writer. 2d. each; 1s. 6d. dozen.
 P 3. By Attesting Witness as to due execution of Will (for defective execution or where signature is in Attestation Clause, Double Signatures, &c.). 2d. each; 1s. 6d. dozen.
 P 4. By Attesting Witness as to due execution of Will and Reading Over (where Will executed by a mark). 2d. each; 1s. 6d. dozen.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
 AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

- P 5. Handwriting of Testator. 2d. each; 1s. 6d. dozen.
 P 6. Identity of Executor. 2d. each; 1s. 6d. dozen.
 P 7. To lead to notation on Increase of Estate. 2d. each; 1s. 6d. dozen.
 P 8. Irish Assets, Bond sufficient to cover. 4d. each; 3s. dozen.
 P 9. Justification of Sureties. 2d. each; 1s. 6d. dozen.
 P 10. Plight and Condition and Finding of Will. 2d. each; 1s. 6d. dozen.
 P 11. Search for other Will or Testamentary Papers. 2d. each; 1s. 6d. dozen.

ATTORNEY.

- P 12. Oath for Attorney of Administrator. 2d. each; 1s. 6d. dozen.
 P 13. Oath for Attorney of Executor (Administration with Will). 4d. each; 3s. dozen.
 P 14. Oath for Attorney for Re-sealing Colonial Grant. 2d. each; 1s. 6d. dozen.
 P 15. Power of Attorney to take Administration. 4d. each; 3s. dozen.
 P 16. Power of Attorney to take Administration (with Will). 4d. each; 3s. dozen.
 P 17. Power of Attorney to Re-seal Colonial Grant. 4d. each; 3s. dozen.

BONDS.

- P 18. Administration (Intestacy). 2d. each; 1s. 6d. dozen.
 P 19. Administration (Grant applied for by Creditor). 2d. each; 1s. 6d. dozen.
 P 20. Administration (with Will). 2d. each; 1s. 6d. dozen.
 P 21. Administration (with Will—Grant applied for by Creditor). 2d. each; 1s. 6d. dozen.
 P 22. Administration (Re-sealing Colonial Grant). 2d. each; 2s. 6d. dozen.

GUARDIAN.

- P 23. Oath of Guardian administering for use of Minor (Intestacy). 6d. each; 5s. dozen.
 P 24. Bond for Guardian (ordinary form). 2d. each; 1s. 6d. dozen.
 P 25. Election of Guardian (Intestacy). 2d. each; 1s. 6d. dozen.
 P 26. Declaration of Estate, required to be filed in all applications by Guardian. 4d. each; 3s. dozen.

OATHS.

- P 28. Administration. 2d. each; 1s. 6d. dozen.
 P 29. Administration (*de bonis non*). 4d. each; 3s. dozen.
 P 30. Administration (with Will). 2d. each; 1s. 6d. dozen.
 P 31. Administration (with Will, *de bonis non*). 4d. each; 3s. dozen.
 P 32. Double Probate, for use when Executor to whom power has been reserved applies for Grant. 2d. each; 1s. 6d. dozen.
 P 33. Executors. 2d. each; 1s. 6d. dozen.

Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
 AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

RE-SEALING COLONIAL GRANTS.

- P 14. Oath for Attorney to Re-seal Grant. 2d. each; 1s. 6d. dozen.
 P 22. Bond for Re-sealing. 2d. each; 1s. 6d. dozen.
 P 34. Notice of Re-sealing (for insertion in *Times*). 2d. each; 1s. 6d. dozen.
 P 35. Oath to Re-seal Grant. 2d. each; 1s. 6d. dozen.

RENUNCIATIONS.

- P 36. Administration (and Guardianship, if so). 2d. each; 1s. 6d. dozen.
 P 38. Probate and Administration (with Will). 2d. each; 1s. 6d. dozen.
 P 39. Probate only. 2d. each; 1s. 6d. dozen.

OTHER PROBATE FORMS.

- P 40. Declaration of Estate required to be filed under Order of Court as to presumption of death &c. 2d. each; 1s. 6d. dozen.
 P 42. Memorial for Duty-paid Certificate. 6d. each; 5s. dozen.
 P 43. Notice to Creditor for advertising in *Gazette* &c. 2d. each; 1s. 6d. dozen.
 P 44. Reason for Delay (Certificate). 2d. each; 1s. 6d. dozen.

MISCELLANEOUS LEGAL FORMS.

601. Agreement for Lease of House and Premises for Three Years. 6d. each.
 602. Agreement to take Furnished Apartments on Weekly, Monthly, or other Tenancy. 6d. each.
 603. Agreement to take Furnished House with Stables, Garden, &c. 6d. each.
 604. Partnership Agreement between Two Persons. 1s. each.
 605. Partnership Agreement between more than Two Persons. 1s. each.
 606. Apprenticeship Indentures (printed on parchment). 1s. each.
 607. Ditto. Stout paper. 6d. each.
 608. Power of Attorney. 4d. each.
 608a. Power of Attorney for use of Officers and others serving Abroad. 1s. each.
 609. Banking or Insurance Companies: Half-yearly Return (Form C). 2d. each.
 610. Bond, or Guarantee for Payment. 3d. each.
 611. Clubs: Annual Return of Particulars under The Licensing Consolidation Act, 1910. 2d. each.
 612. Dissolution of Partnership. Declaration and Notice for *London Gazette*. 2d. each.
 613. Assignment of Policy of Assurance. 6d. each.
 614. Mortgage of Policy of Insurance. 6d. each.
 615. Deed Poll Changing Surname. 6d. each.
 616. Declaration to accompany Deed Poll. 3d. each.
 A.R.—E. Aliens Registration. Official Form A.R.—E. for names of visitors in hotels, inns, and boarding-houses. 4d. each.
 Postage extra in all cases.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
 AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

NEW BOOKS AND NEW EDITIONS

PUBLISHED BY

JORDAN & SONS, LIMITED.

BOOKS ON COMPANY LAW.

The Effect of War upon Commercial Relations and the Position of Corporations During War. Second Edition (1918). By F. GORE-BROWNE, M.A., K.C., Author of "A Handbook on the Formation, Management, and Winding Up of Joint Stock Companies." Price 5s. net; by post 5s. 6d.

"The work will be found a very useful guide."—*Investors' Guardian*.

Handbook on the Formation, Management, and Winding Up of Joint Stock Companies. Thirty-Fourth Edition (1919). By F. GORE-BROWNE, M.A., K.C. Author of "Concise Precedents under the Companies Acts." Royal 8vo. 12s. 6d. net; by post 13s. 3d.

"This work has had a remarkable and well-deserved success; it ought to be in every Solicitor's office."—*Law Quarterly Review*.

"It is a book upon which the Lawyer, the Company Official, or the Layman alike can rely."—*Pall Mall Gazette*.

"For the practical use of any person interested in Companies we doubt if any book has achieved a higher reputation."—*Law Times*.

The Secretary's Manual on the Law and Practice of Joint Stock Companies, with Forms and Precedents. Sixteenth Edition (1918). By JAMES FITZPATRICK, F.C.A., late Lecturer on Accountancy to the London Chamber of Commerce, and T. E. HAYDON, M.A., Barrister-at-Law. 7s. 6d. net; by post 8s. 3d.

"The careful manner in which the requirements of Secretaries of Companies have been considered sufficiently accounts for the continued popularity of this work."—*Solicitors' Journal*.

The Companies Acts, 1908 to 1917, with Explanatory Notes and an Appendix containing the principal legislation affecting Companies passed as a consequence of the War. Seventh Edition. By D. G. HEMMANT, Barrister-at-Law, Editor of "Concise Precedents under The Companies (Consolidation) Act, 1908," &c. 6s. net; by post 6s. 6d.

"The annotating has been well done, and the whole forms a concise and clear guide to the Statute."—*Law Times*.

The Law of Stamp Duties on Deeds and other Instruments. Fifteenth Edition. By the late E. N. ALPE, of the Solicitor's Department, Inland Revenue, Barrister-at-Law. REVISED AND ENLARGED by A. R. RUDALL, Barrister-at-Law; with Notes on Practice by HERBERT W. JORDAN. 12s. 6d. net; by post 13s.

"Has established itself as one of the leading authorities on Stamp Law."—*The Law Quarterly Review*.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
 AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

Concise Precedents under The Companies (Consolidation) Act, 1908. By F. GORE-BROWNE, M.A., K.C. Fourth Edition, by D. G. HEMMANT, of the Inner Temple, Barrister-at-Law, Author of "The Companies Acts, 1908 and 1913, with Explanatory Notes," &c. The Companies Act, 1913, is included. 20s. net; by post 20s. 9d. net.

Company Law and Practice: an Alphabetical Guide thereto. Fourteenth Edition (1919). By HERBERT W. JORDAN, Company Registration Agent and Managing Director of JORDAN & SONS, LIMITED.

Royal 8vo. 6s. net; by post 6s. 9d.

"Mr. HERBERT W. JORDAN has more experience of Company Registration than any other man breathing, and is therefore fully qualified to be a guide unto others."—*Financial News*.

"Mr. JORDAN is well known as a practical writer upon Company Law, and his handbook will supply a real want for the ever-increasing number of laymen who have to know something about companies."—*Law Journal*.

Private Companies: their Utility and the Exemptions they Enjoy. Ninth Edition (1919). By HERBERT W. JORDAN, Author of the above. 1s. net; by post 1s. 4d.

"Will well repay serious consideration by those interested in this subject."—*Scottish Bankers' Magazine*.

How to Form a Company. Thirteenth Edition (1919). By HERBERT W. JORDAN, Author of the above. 1s. net; by post 1s. 4d.

"There could be no better guide."—*Financial News*.

Debentures: the Purposes they Serve and How they are Issued. Eighth Edition (1919). By HERBERT W. JORDAN, Author of the above. 1s. net; by post 1s. 4d.

"What Mr. HERBERT W. JORDAN does not know about Company Law and Practice is not worth troubling about, and to this knowledge he adds a capacity of lucid exposition."—*The Commercial Review*.

The Secretary and His Directors. Third Edition (1918). By HERBERT W. JORDAN, Author of the above. 2s. 6d. net; by post 3s.

"An able and lucid exposition of their important functions by a past-master in the practical business working of the Companies Acts."—*Investors' Guardian*.

Reminders for Company Secretaries. Fourth Edition (1919). An Alphabetical Summary of the principal statutory provisions affecting Companies, with a complete list of documents required to be filed. By HERBERT W. JORDAN, Author of the above. 9d. net; by post 11d.

Registration and Publication of Directors' Names under the Companies (Particulars as to Directors) Act, 1917. Fourth Edition (1918). By HERBERT W. JORDAN, Author of the above. 6d. net; by post 8d.

An exhaustive explanation of the new Act, with detailed analysis and examples. The full text of the Act is included.

The Companies Diary and Agenda Book (Published Annually). Edited by HERBERT W. JORDAN, Director of JORDAN & SONS, LIMITED. Thirty-sixth year of Publication.

Boards, 3s. 6d. net; Cloth, 4s. 6d. net; Interleaved blotting, 5s. 6d. net; postage 6d. extra.

"Replete with information relating to Joint Stock Companies."—*The Times*.

"An excellent adjunct to the desk of the business man."—*Sheffield Telegraph*.

"Contains in convenient form a vast amount of information useful to those interested in the management of Companies."—*Law Journal*.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

Voluntary Liquidation under The Companies (Consolidation) Act, 1908: being a Handbook for Liquidators, with Forms and the Relative Winding-Up Rules. Second Edition. By J. P. EARNSHAW, F.C.I.S., Author of "Voluntary Liquidation of Companies in the Transvaal." 5s. net; by post 5s. 6d.

"It is a handy and practically written work."—*Accountant*.

Voluntary Liquidation of Companies in the Transvaal. By J. P. EARNSHAW, F.C.I.S., Author of the above. 7s. 6d. net; by post 8s.

Table A in the First Schedule to The Companies (Consolidation) Act, 1908: being the Statutory Regulations for the Management of Companies Limited by Shares and Registered without Articles of Association; with Introduction, Notes, and Comments by D. G. HEMMANT, Barrister-at-Law. Second Edition. 1s. 6d. net; by post 1s. 10d.

A special edition without Notes and Comments, in foolscap folio, is found useful for binding with copies of Memorandums of Association when registered without Articles, or with Articles of Association partially adopting Table A. Price 6d. net; twelve copies, 5s.

The Conduct of and Procedure at Public and Company Meetings. Fourth Edition (1918). By ALBERT CREW, Barrister-at-Law, F.C.I.S., Author of "Economics for Commercial Students." With a chapter on "The Art of Public Speaking," by the late GEORGE GOODEN, Professor of Eloquence. 3s. 6d. net; by post 4s.

The Law Relating to Assurance Companies under The Assurance Companies Act, 1909: with Introductory Chapter, Annotated Text of the Act, and the Rules, Regulations, and Forms issued by the Board of Trade. By ERIC GORE-BROWNE, B.A., Barrister-at-Law. 5s. net; by post 5s. 6d.

"The Author has fully and clearly explained the Statute, and has added a valuable chapter upon 'Insurable Interest,' both as to Life and Fire, which will be found of much moment to all concerned."—*Solicitors' Gazette*.

A Manual of British Columbia Company Law. By ALEXANDER H. DOUGLAS, LL.B., of the Middle Temple, Barrister-at-Law, and of the Bar of British Columbia, and GEORGE ROBIN, C.A. (Edin.) 28s. net; by post 28s. 9d.

This volume presents in a condensed and simple form the entire law relating to Companies in Canada, though there are minor differences in the Statute Law of the various Provinces. It is based on the Handbook of Joint Stock Companies, by F. GORE-BROWNE, K.C.

The Legal Position of English Companies in Russia: with Historical Sketch, Chapters on the Development of Russian Industry by Foreigners and the Legal Position and Conditions of Operation of Foreign Companies in Russia. By L. P. RASTORGUEFF, Sworn Advocate of the High Court of Kharkoff, Russia. 2s. 6d. net; by post 2s. 9d.

How to Understand the Balance Sheet and other Periodical Statements. Third Edition. By a CHARTERED ACCOUNTANT. 3s. 6d. net; by post 3s. 10d.

Explains without the use of technicalities (1) the constitution of a Balance Sheet; (2) typical Balance Sheet items; (3) the essential difference in principle between the Balance Sheet and certain other periodical accounts commonly in use.

Book-Keeping Specially Adapted for Public Companies, with Additional Chapters on Foreign Exchanges and Banking, Insurance, and Municipal Accounts. By JAMES FITZPATRICK, F.C.A. (late Lecturer on Accountancy to the London Chamber of Commerce), Joint Author of "The Secretary's Manual." 5s. net; by post 5s. 6d.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,
AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

BOOKS ON OTHER SUBJECTS.

The Death Duties: comprising Estate, Legacy, Succession, and Increment Value Duties, with Decided Cases, Forms, and Notes on Practice; and the Text of all the Acts relating to Death Duties, including Table I. of The Succession Duty Act, 1853. Second Edition (1914). By ROBERT DYMOND, of the Estate Duty Office, Somerset House, Solicitor. 12s. 6d. net; by post 13s.

The important changes effected by The Finance Act, 1914, and The Death Duties (Killed in War) Act, 1914, particularly as to the incidence of Estate Duty on Settled Property, are fully explained; changes in Practice and Judicial Decisions since the First Edition was published have been noted, and the Index has been amplified.

"The concrete illustrations, so essential to the exposition of these highly complicated duties, are as clear as they are lavish."—*Law Quarterly Review*.

Death Duties: the Apportionment of Duties as between Trustees and Legatees, Annuitants, or other Beneficiaries, and the Position of Purchasers of Property with Reference to Death Duties Payable Thereon. By LOT BRAMLEY, Solicitor. 3s. 6d. net; by post 3s. 9d.

Will-Making made Safe and Easy. Fourth Edition. By the late ALMARIC RUMSEY, Barrister-at-Law. Revised and amplified by A. R. RUDALL, Barrister-at-Law. 2s. 6d. net; by post 2s. 10d.

The Way to Prove a Will and Obtain Letters of Administration. Third Edition (1916). By the late ALMARIC RUMSEY, Barrister-at-Law. Revised and amplified by A. R. RUDALL, Barrister-at-Law. 1s. 6d. net; by post 1s. 9d.

The General Law of Partnership Under the Partnership Act, 1890: containing the Text of the Act; the Sections of The Bankruptcy Act, 1883, which relate to the Bankruptcy of Partners; the Rules and Orders of the Supreme Court in reference to Actions by and against Partners; Forms of Partnership Agreements, and the Provisions of The Stamp Act, 1891, as to the Stamping thereof. By LAWRENCE DUCKWORTH, Barrister-at-Law. 3s. 6d. net; by post 4s.

Handbook to The Bankruptcy and Deeds of Arrangements Act, 1913: including the new Rules and Forms which came into operation on the 1st August, 1914. By OSCAR KUHN, Barrister-at-Law. 2s. 6d. net; by post 2s. 9d.

The Money-Lender's Handbook. By G. H. C. MANNING, Barrister-at-Law, and of the Inland Revenue Department, Somerset House. 2s. 6d. net; by post 2s. 10d.

"Deals very effectively with its subject."—*Financial Times*.

The Corporate Nature of English Sovereignty: a Dissertation by W. W. LUCAS, B.A., Barrister-at-Law. 2s. 6d. net; by post 2s. 10d.

"Gives clear conceptions of the place in the Empire's constitution of our so-called 'Crown.'"—*Solicitors' Journal*.

Registration of Business Names: Setting out the Requirements of the Act of 1916, with typical examples. Third Edition. Revised and enlarged. By HERBERT W. JORDAN, Author of "Company Law and Practice" &c. 6d. net; by post 8d.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2

Economics for Commercial Students. By ALBERT CREW, Barrister-at-Law, Examiner in Economics to the Union of Lancashire and Cheshire Institutes, and Examiner in Commercial and Company Law, Royal Society of Arts. Assisted by J. SWAIN, B.Sc. (Econ.) Lond., Examiner in Economics to the Chartered Institute of Secretaries. 5s. net; by post 5s. 6d.

A text-book for commercial and other students, as well as for business men who require in a concise and lucid form the main principles and practical application of economic theories. It contains a large variety of questions set by various examining bodies.

Bribes and Bribery in Business. (1916). By ALBERT CREW, Barrister-at-Law, Author of "The Conduct of and Procedure at Public and Company Meetings," &c. 1s. net; by post 1s. 3d.

"All engaged in commercial pursuits should find this of considerable help in avoiding pitfalls."—*The Secretary*.

Nationality and Naturalization. (1916). By WALTER BLAKE ODGERS, M.A., of Balliol College, Oxford, Barrister-at-Law. 1s. net; by post 1s. 3d.

"Not a controversial book, but something far better—a plain statement by a lawyer, for laymen, of the rules governing naturalization."—*Glasgow Herald*.

The Law of Copyright. By J. B. RICHARDSON, M.A., LL.B., Barrister-at-Law. 6s. net; by post 6s. 6d.

A History of Copyright Law from the Introduction of Printing to 1911.

The Copyright Act, 1911: with Introduction, Notes, the Orders in Council, and the Regulations by the Board of Trade and the Commissioners of Customs and Excise. By S. P. KEER, Barrister-at-Law. 5s. net; by post 5s. 6d.

"Should prove useful to writers, artists, and publishers as well as to lawyers."—*Law Times*.

The Law and Practice of Probate and Administration in Common Form and Contentious Business. Third Edition. By W. JOHN DIXON, B.A., LL.M., Barrister-at-Law. 25s. net; by post 25s. 9d.

Oakley's Divorce Practice. Seventh Edition. Revised, Amplified, and Brought up to Date by W. M. F. WATERTON, Barrister-at-Law, and Clerk in the Divorce Registry. 21s. net; by post 21s. 6d.

Party-Walls. Second Edition (1917). By A. R. RUDALL, Barrister-at-Law, Joint Author of "The Law of Trusts and Trustees," &c. 7s. 6d. net; by post 8s.

The Law of Trusts and Trustees. Fourth Edition. By A. R. RUDALL, Barrister-at-Law, Author of "Party Walls," &c., and J. W. GREGG, LL.B., B.A. (Lond.), K.C. 21s. net; by post 21s. 6d.

French Law and Customs for the Anglo-Saxon: a Guide for Everyday Use. Third Edition. By ARTHUR S. BROWNE (of Nice), Solicitor of the English Supreme Court. 2s. 6d. net; by post 2s. 9d.

"A useful legal guide to British tourists or residents in France."—*Scotsman*.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

The Law of Domestic Servants (with a Chapter on The National Insurance Acts, 1911 and 1913). Second Edition. By J. D. CASSWELL, B.A., Barrister-at-Law. 1s. 6d. net; by post 1s. 9d.

The Law and Practice Relating to Patents and Designs under The Patents and Designs Acts, 1907-8. Fourth Edition. By the late DAVID FULTON, A.M.I.C.E., Barrister-at-Law. 15s. net; by post 15s. 6d.

Patents of Invention and Registration of Designs: the Statute Law Relating Thereto as altered by The Patents and Designs Act, 1907. By J. W. GORDON, Barrister-at-Law, Author of "Monopolies by Patents." 5s. net; by post 5s. 5d.

The Law Affecting Dogs and Their Owners. By WILLIAM MARSHALL FREEMAN, Barrister-at-Law. 5s. net; by post 5s. 5d.

The Law of Contract: a Manual for Practitioners, Students, and Business Men. Second Edition. By MONTAGUE R. EMANUEL, M.A., B.C.L., Barrister-at-Law, Author of "The Law of Landlord and Tenant," &c. 10s. net; by post 10s. 6d.

The Law of Landlord and Tenant. By MONTAGUE R. EMANUEL, M.A., B.C.L., Barrister-at-Law, Author of "The Law of Contract," &c. 3s. 6d. net; by post 3s. 10d.

The Principles of Arbitration. By MONTAGUE R. EMANUEL, M.A., B.C.L., Barrister-at-Law, Author of above. 3s. 6d. net; by post 3s. 9d.

The Corrupt and Illegal Practices Prevention Acts, 1883 and 1895, Annotated and Explained. By the late H. C. RICHARDS, K.C., M.P. Second Edition. Edited and revised by MONTAGUE R. EMANUEL, M.A., B.C.L., Author of the above. 3s. 6d. net; by post 3s. 10d.

Liquor Licence Duties, Death Duties, Income Tax, Stamps, Customs, and Excise under Parts II. to VIII. of The Finance (1909-10) Act, 1910. By J. WYLIE, Barrister-at-Law. 3s. 6d. net; by post 3s. 11d.

The Criminal Appeal Act, 1907, with the Rules, Forms, and Rates and Scales of Payment thereunder; Notes by HERMAN COHEN, M.A., Editor of "Roscoe's Criminal Evidence," &c.; and an Historical and Critical Introduction by Sir HARRY B. POLAND, K.C. 5s. net; by post 5s. 5d.

The Law of Heavy Motor Cars. By DONALD HENRY PETTITT, Solicitor, Author of "The Law of Motor Cars and Motor Cycles." 3s. 6d. net; by post 3s. 11d.

The Law of Motor Cars and Motor Cycles. By DONALD HENRY PETTITT, Solicitor, Author of the above. 3s. 6d. net; by post 3s. 11d.

116 & 117 CHANCERY LANE, LONDON, W.C. 2,

AND 13 BROAD STREET PLACE, LIVERPOOL STREET, E.C. 2.

[illegible]

APR 8 8 1960

How to understand the Balance Sheet

NEH MAR 1 8 1994



**END OF
TITLE**